**Achievement of Market-Friendly Initiatives and Results Program
(AMIR 2.0 Program)**

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MSE Demand for Business Development Services

Final Report

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Executive Summary

1.0 Introduction

Supporting the development of a strong micro and small enterprise (MSE) sector in Jordan is a key goal of the AMIR program. As a part of this effort, AMIR identified the provision of business development services for MSEs as a potentially critical element to supporting the growth and strengthening of Jordanian MSEs.

AMIR commissioned a two part assessment of MSE BDS in Jordan. One part assesses BDS supply. The other, which is the basis of this report, assesses MSE demand for BDS. Together, with other initiatives, these assessments will assist the AMIR micro enterprise initiative (MEI) team to design appropriate interventions to satisfy MSEs needs through BDS. Specifically as a result of the survey, the MEI team will select two to four business services to focus its efforts on.

The objective of the survey is multi-faceted:

- To estimate general consumption of business services by MSEs and the types of services consumed in the last year;
- To capture MSE access to various types of BDS services (through personal or commercial networks, non-governmental organizations, etc.);
- To gauge the awareness, reach, and retention of business services by MSEs;
- To describe MSE customer segments for BDS;
- To capture the rationale for BDS use among the customer segments (are there any particular areas in which the markets for BDS perform poorly, resulting in gaps in the BDS offered to MSEs and in unmet demands?);
- To assess MSE willingness to pay for services; and
- To capture indications of the future direction of demand for BDS in general, and where feasible, by specific service.

2.0 Survey and Sample Frame

The final survey of 405 MSEs was representative of MSEs in Jordan. The sample stratified the businesses surveyed into rural and urban enterprises and provided a rough equivalency representation of MSE by businesses sector (i.e., commercial, services, and production).[1]

3.0 Survey Questionnaire

The questionnaire had the purposes of 1) gauging MSE awareness of BDS, and 2) estimating the size and nature of MSE demand for BDS. The survey divided respondents into three consumer categories: businesses currently consuming BDS, businesses which have considered consuming BDS and businesses which have not considered consuming BDS. The questionnaire was divided into four sections: awareness of BDS, BDS usage, future MSE BDS demand, and MSE characteristics (for sub-group definitions).

[1] Data was not available to estimate the number of enterprise in Jordan by sector, thus a sectoral representative sample was not possible. Limited data from Chambers of Commerce were used to guide the selection of businesses by type.

The survey was conducted with MSEs with fewer than 25 employees. Only the financial decision maker of the enterprise was interviewed.

3.1 BDS Awareness
All MSEs surveyed were asked a series of questions designed to solicit general impressions, understanding, and stereotypes of BDS in an effort to understand MSE awareness of BDS as a service category. Questions were designed to draw from respondents their understanding of BDS at the most general level. BDS was not immediately defined for respondent so as not to bias awareness. Once past the awareness section, enumerators were free to clarify a definition of BDS to ensure accurate responses to the remainder of the survey.

3.2 BDS Usage
Only MSEs which had used or were considering using BDS were asked about BDS usage. Questions focused on motivations for using BDS, outcome expectations, supplier sources, levels of satisfaction, price, and payment.

3.3 BDS Future Demand
All MSEs surveyed were asked questions regarding estimated annual dollar BDS expenditures, types of BDS demanded, and their main purchasing considerations or conditions.

3.4 Sub-group Questions
Questions defining MSEs were asked in order to segment the survey sample by a number of sub-groups (e.g., number of employees, monthly revenue, age of business, urban or rural location, gender and education level of financial decision maker).

4.0 Awareness
Jordanian MSEs generally have a positive view of BDS. One hundred percent of “current” BDS users and 95% of those who “have considered using” BDS believe that BDS can benefit their business.

“Business development services” or “BDS” is not, however, a familiar term. Respondents could not identify more than an handful of BDS services without being prompted, and most of these were BDS “operational” or “support services” (e.g., services used to maintain ongoing business activities such as book-keeping or secretarial services). For the most part, the survey found that BDS awareness focuses on operational as opposed to strategic business enhancement value.

Moreover, the majority of respondents believe that BDS were not for MSEs or for “their type” or size of enterprise. Respondents noted cost as significant barrier to BDS inconsistently.

Awareness finding were most striking for rural MSEs which appear to be the least aware of and most likely resistant to BDS. The opposite was true of women who show greater interest and to a lesser extent knowledge of BDS. These observations, however, are not statistically significant; no other sub-group differences emerged from the awareness section (e.g., by business type) of the survey.

4.1 Awareness Conclusions

MSEs are aware of a set of services that can help their businesses but do not identify the term BDS as a service sector. This is less true for MSEs with BDS experience. The balance of MSEs believe BDS to be for large businesses, suggesting that BDS has been branded as a "big business" business tool. This "McKinsey Ross" sentiment is a principal awareness barrier to promoting the use of MSE-appropriate BDS. Fortunately, most MSEs are positively inclined towards BDS as a starting point and believe BDS to be affordable.

5.0 BDS Usage

Only 5% of the MSEs surveyed currently use BDS services, though over 25% have used or have considered using them. Of those which have never considered using BDS, only 29% have done so because they do not want such services; the balance have not solicited services due to ignorance or lack of supply. Based on these findings we estimate that 10,000 MSEs in Jordan currently use BDS and another 50,000 are disposed to using BDS.

5.1 BDS Usage – The Nature of Current Usage

MSEs which have used or considered using BDS view such services positively; only 12% expect no return on BDS investments. This supports the awareness finding that 80% of respondents believe BDS can benefit their business.

Interestingly, efficiency improvements were rated highly (58%) as a motivation for considering or using BDS, but dropped to 28% as an expected outcome of BDS. Increasing sales scored 29% both as a motivation for using BDS and an expected outcome of use.

Almost 45% of respondents were "extremely" (13%) to "very satisfied" (28%) and another 45% "somewhat satisfied" BDS clients. Only 12% were "unsatisfied" with their BDS experience. Those receiving discounted services were likely to be more satisfied than those paying full fee. Almost 50% of BDS consumption dissatisfaction was related to poor quality of service. The private sector, as the largest provider of BDS (54%), earns the same satisfaction rating as governmental sources (10%).

Over 36% of MSEs had heard of BDS services via personal contacts (family, friends, business colleagues, etc.) and another 18% via daily newspapers. The Internet was not significant source of BDS information (3.3%).

Demand is not concentrated in any one particular service, with the exception of sales-enhancing BDS including: advertising support (15%), marketing support (12%), and marketing consulting (6%). There is a less significant concentration of demand for IT technical support services (10%) and non-IT technical support services (9%).

5.2 BDS Usage Market Segments

No significant market segments for MSE BDS demand emerged in the survey, although there was some differentiation based on business type. Commercial and service businesses wanted more sales- and efficiency-enhancing BDS than production businesses which had a stronger demand for production and product design services.[2]

MSEs with previous exposure to BDS were most discerning about demand. They had more consistent objectives for using BDS and were harder to satisfy, but interestingly also had fewer return expectations. Rural businesses and women-owned business also showed some distinct characteristics: women were both more open to BDS usage and more willing to consider usage, while rural enterprises were less optimistic about BDS usage and had inconsistent motivations and objectives for BDS use. None of these differences, however, were significant enough to warrant segmentation based on gender or location.

5.3 Current BDS Usage Conclusions

All MSEs clearly want sales and efficiency-enhancing BDS, though more preferred BDS support over more sophisticated BDS developmental services. This is consistent with responses from awareness questions.

Increased sales without reciprocal increases in capacity and efficiency can be counterproductive, particularly if MSEs are less inefficient than they would like to be, as many of those surveyed admitted to being. And while the MSEs expressed a need for improved efficiencies, they were not entirely clear as to how to achieve them (i.e., what specific services could help).

Finally, with the exception of producer enterprises demanding more product development and design BDS, there were no significant variations in usage patterns between different MSE sub-groups.

6.0 Future BDS Demand

The total estimated annual MSE market for BDS is JD13 million. The high-end of this market is constituted by approximately 20% of MSEs willing to pay JD100 or more annually for BDS. The low-end of the market is constituted by about 50% of MSEs willing to pay less than JD100 a year for BDS. Finally, an estimated 15% of MSEs will likely never pay for BDS, whereas another 15% currently do not want BDS but are likely amenable to conversion.

6.1 The Nature of Demand

The survey indicated that as knowledge of BDS increased, so too did the degree of response precision and interest in BDS. Respondents also showed increased interest in BDS developmental services, moving from 10% being aware of BDS in Question 2, to 32% usage in Question 11, to 33% in Question 23.

Advertising and marketing services were the most-demanded BDS. The proportion of other BDS did not change significantly between current BDS usage in Question 11 and future demand estimates confirming the broad (many services) but narrow (no one service in much greater demand than others) MSE BDS demand structure (for a full list of BDS see Table 10).

[2] Commercial enterprise are those that intermediate the sale of goods (i.e., that buy and re-sell goods). Service businesses provide a service such as consulting, hair cutting, legal services, etc.. Product enterprises organize inputs to produce new products for sale.

Respondents rated “making their business easier to operate” as the number one consideration for engaging BDS. This is interpreted to mean meeting sales- and efficiency- enhancing objectives or motivations for using BDS. “Quality of services” and “value for investment” rank second and fourth, with “receiving free services” wedged between.

Responses failed to produce significant market segmentation with only a few minor exceptions. Production enterprises continued to be slightly more interested in production and product design BDS. Women demonstrated more interest in BDS (but are likely less able to pay for them). Rural enterprise appeared to be more price conscious than urban counterparts.

Finally, respondents indicated that the time it takes to pay for BDS was not as relevant as other factors.

6.2 Future Demand Conclusion

The development of the BDS sector must respond to MSE business objectives, in this case, increasing sales and efficiencies. It also requires suppliers to prove value for investment. If not, MSEs will continue to demand a narrow range of BDS support services over development services. This will not necessarily maximize the potential market penetration of the sector, nor will it maximize broader economic development impacts afforded through more development-oriented BDS.

While the MSE BDS market is quite large, individual MSEs will not spend all that much on such services. Thus, the market is characterized by large volume and small contract values, a market structure that better supports inexpensive BDS support services such as secretarial supply, some technical, advertising and marketing services.

More sophisticated BDS developmental services typically cost more and are likely to exceed most MSEs’ budgets. Financing plans must be developed if the potential impacts of BDS developmental services are to be achieved. Such plans could include special loan programs offered by microfinance institutions (MFIs) with appropriate amortization schedules, voucher subsidies program, supplier quality development and marketing programs.

Finally, due their limited financial means, women may need financial support for accessing BDS. Rural enterprise may also need extra incentives given their general pessimism toward BDS use and limited resources.

7.0 Recommendations

Given these findings, we make the following recommendations:

1) Support private sector BDS suppliers;

2) Explore the value of creating a BDS MSE brand or service category;

3) Target support to current BDS users as a first step to achieving greater market penetration and as a way to cross-sell other BDS services;

4) Assist BDS suppliers to develop marketing strategies that take advantage of personal contact networks;

5) Support BDS quality service programs, starting with services most likely to be used (i.e, seal of MSE accounting best practice);

6) Segment the BDS market based on three categories (with related specific foci):

    a. Business types;
    b. Developmental and support BDS;
    c. High-end market (JD100 or more annual BDS expenditure) and low-end markets (JD10 to JD100 annual expenditure).

7) Develop BDS loan products at MFIs and commercial banks;

8) Undertake a deeper assessment of the MSE BDS demand survey to better understand the specific needs of women-owned and rural businesses. In the meantime, tailor sub-program interventions to suit women's specific interests.

Program recommendations based on the findings of this report include:

- National Marketing Seminars for MSEs;
- A National toll free number for MSEs to access BDS Supplier contact information;
- BDS Supplier capacity development team.

Details for these programs can be found in Business Development Services Proposed Programs document.

Part One – Introduction and MSE Survey Design

1.0 Introduction

This report presents the findings from a national survey of micro and small enterprise (MSEs) demand for business development (BDS) services in Jordan. The survey is part of a broader effort by the AMIR (Achievement of Market-Friendly Initiatives and Results) program which seeks the establishment of a sustainable microfinance industry in Jordan. Specifically, the goal of AMIR is "to promote economic growth and prosperity for all Jordanians by developing a more market-friendly environment for broad-based economic opportunity and business expansion". This includes supporting the development of microenterprise in Jordan with a specific focus on promoting commercially viable financing and non-financial service opportunities for micro-entrepreneurs.

1.1 Background

The Microenterprise Initiative (MEI) component of AMIR seeks to increase income and employment in Jordan through the creation and growth of MSEs by encouraging greater use of improved and expanded business development services. AMIR will accomplish this by 1) increasing the efficiency and effectiveness of the Jordanian business development services (BDS) market – providers and facilitators – to identify and respond to MSE service demands, and by 2) stimulating MSE demand for BDS services. It is important to note that the approach encompasses supply and demand sides of BDS.

Business development services are the provision of non-financial services to business by business. Often these services are sold through NGOs on a partial cost recovery basis and by private BDS providers on a for-profit basis, whether paid for by the recipient, by a third party, or by both.

There are thousands of MSEs in Jordan, in all parts of the economy. Before targeting interventions designed to encourage greater use of business services by MSEs, it is critical to understand the market opportunities and special challenges represented by the MSE sector from the perspective of BDS providers. This includes awareness of available BDS, types of services that might constitute BDS, those services that are procured, and those that are not, and why.

1.2 Purpose of the Study

Beyond understanding MSE demand for services, there is a need to know how MSEs access services. The MSE BDS Demand Survey is part of a multi-service market survey is to assist the AMIR MEI component team to design appropriate interventions that will satisfy MSEs' needs through BDS (see full scope of work in Appendix One). Based on the survey results, the MEI team will select two to four business services on which to focus its efforts. The objectives of the survey are multifaceted can be found in Table 1.

The challenge of the consultancy was creating a useful survey, manageable in its application, yet sufficiently broad in its topical coverage, and able to be successfully completed within a two- month timeframe.

Table 1
MSE BDS Demand Survey Objectives

To estimate the volume and type of MSE consumption of BDS consumed in the past year
To capture MSE access to various types of BDS services
To gauge the awareness, reach, and retention of BDS by MSEs
To describe MSE customer segments for BDS
To capture the rationale for BDS use among MSE customer segments
To assess MSE willingness to pay for BDS
To capture indications of the future direction MSE BDS demand and, where feasible, by specific service

1.3 Organization of the Report

This report has three parts. The first is the introduction to the study. The second part reviews survey findings and has three main section: MSE BDS Awareness, MSE BDS Usage, and Future MSE BDS Demand. The report ends with a summary of work to date and overviews next steps.

2.0 MSE Survey Design

Table 2
Estimated Employment by Firm Size [3]

	Number of Firms	Average Number Employed	Number of Employees	Percentage of Labor Force
Government	n/a	n/a	518,000	37.0%
Private Sector				
Large Firms	150	300	45,000	3.2%
Small & Medium Firms	3300	57	188,100	13.4%
Micro Enterprise	217,000	3	651,000	46.5%
Total	220,450	n/a	1,398,800	100.0%

Source: Research, Evaluation and Proposed Design for a Microbusinesses Multiplier Deliverable for SMI Component, Task No. 3.1.14. Sources for information found in table are derived from three sources: Total employment and government employment statistics are estimated from the Jordan Human Development Report (2000) and Atlas Investment Group (2001). Microenterprise estimates are from Perrett (2001).

The businesses surveyed provide a representative sample of micro and small business in Jordan. The sample also stratifies the population to include representative samples of rural and

[3] Very few systematic sources of data on corporate activity in Jordan exist. A significant number of business are unregistered or informal, although business are required to register at both the national level and locally, at either a Chamber of Commerce (service businesses) or Chambers of Industry (manufacturers). Registration, however, does not require disclosure of business size either by income nor by number of employees.

urban enterprise. Finally, it approximates proportional distribution of businesses by sector or type: commercial, service and production.[4]

2.1 Sample Design

The number of both formal and informal sector MSEs in Jordan is estimated at between 150,000 and 220,000 (see Table 2). To ensure a representative sample, the sample size was based on a population of 200,000, which required a sample of approximately 400 businesses for representativity. A final sample size of 405 was collected.

The sample distribution by location involved dividing Jordan by two major geographic areas. The first was based on the three major geographic sub-divisions or regions: North, Central, and South (see Table 3). The proportional distribution of enterprises was then estimated for each region using Chambers of Commerce statistics and is reflected in the sampling structure.

[4] Data was not available to estimate enterprise distribution by sector, thus a representative sample is not possible. Limited Chamber
of Commerce data was used to guide the approximation of sector distribution.

Table 3
MSE BDS Demand Survey Sample Distribution and Stratification (pre survey design)

	% of Business in Jordan 1	Sample Status	No. Samples (N = 400)	Distribution of Samples	Urban (70% of sample) 2	Rural (30% of sample)	Commercial and Service (80% of sample) 3	Production (20% of sample)
Region							[MdS1]	
North								
Irbid	8.9	Selected	36	36	25	11	28	7.12
Mafraq	2.7	Selected	11	15	11	5	12	3
Jerash	0.8	Selected	3	4	3	1	3	0.8
Ramtha	1.3	Not selected	5					
Total	13.7		55	55				
Central								
Amman	51.2	Selected	207	207	145	62	166	41.4
Zarqa	13.7	Selected	55	55	38	16	44	10.96
Ruseifeh	5.9	Selected	24	26	18	8	21	5.2
Madaba	3	Selected	12	14	10	4	11	2.8
Salt	2.1	Selected	8	9	6	3	7	1.8
South Shoeth	1.2	Not selected	5					
Total	77.1		311	311	218	93	249	62.16
South								
Aqaba	5.5	Selected	22	22	15	7	18	4.4
Tafileh	1	Selected	4	5	4	2	4	1
Maan	1	Selected	4	4	3	1	3	0.8
Karak	0.9	Selected	4	4	3	1	3	0.72
South Mazar	0.3	Not selected	1					
Total	8.7		35	35	24	10	28	6.92
Grand Total 4	99.5		400	400	280	120	320	80

1 Source: Federations of Jordanian Chambers of Commerce, 2Source: Population 3 Source: Commercial, 4 Does not sum to zero due to rounding

The distribution of samples drawn within each region was determined by a two-step process. First, all governorates with major urban centers were surveyed. The balance of samples required for each region were then drawn from randomly selected governorates determined by lottery (see Table 3).

The second major subdivision was rural-urban. Within each governorate, samples were drawn from population centers designated as urban (greater than 5,000 inhabitants) and rural (fewer than 5,000 inhabitants). In each governorate, the largest urban center was selected for urban samples; and rural centers were randomly selected by the survey team while in the field. Representation by area was based on the enterprise distribution of enterprise within the Kingdom, with urban at 80% and rural 20%.

Within urban centers, the survey team identified enterprise clusters, designating them as either heterogeneous or homogeonous. Heterogeneous clusters were characterized by a diverse range of business types. Homogeneous clusters were characterized by a large concentration of similar businesses (e.g., mechanics, carpentry shops, etc.). Each cluster was coded (see Appendix Two). Heterogenous clusters were selected randomly by the survey team and surveyed sequentially until the urban area sample quota was filled.
Enterprises within clusters were surveyed sequentially with enumerators going door to door until a their sample quotas were filled.

Finally, the survey sample sought to approximate the national distribution of MSEs by sector and type to avoid excessive biases towards one sector or another. To do this, national sector distribution was estimated from limited Federation of Jordanian Chamber of Commerce statistics and used to ensure that no one type of enterprise was grossly over-represented (i.e., by plus or minus 10% of the average national estimated distribution). Commercial businesses comprised 24% of the survey. Service businesses accounted for 40% and productive enterprises, 32% (totals do not add to 100% as some businesses could not be classified as one type uniquely.

2.2 Survey Questionnaire

The survey questionnaire had two main purposes. The first was to gauge MSE awareness of BDS. The second was to estimate the size and the nature of MSE demand for BDS. The survey anticipated three BDS consumer segments: those businesses which “are using” or “have used” BDS; those businesses that “have considered using” BDS; and those businesses which “have not considered using” BDS. The questionnaire was divided into four sections to solicit the required information: screening, awareness, demand, and summary.

2.2.1 Screening

Screening questions were designed to ensure that the businesses interviewed were MSEs (fewer than 25 employees) and that respondents were the financial decision makers of the enterprise. If both conditions were applicable, the business was eligible to enter the survey; if not, the survey ended at this point.

2.2.2 BDS Awareness

The awareness questions were designed to draw respondents’ understanding of BDS at the most general level. As such, each consumer segment was asked a series of questions designed to solicit general impressions, understanding, and stereotypes of BDS. Information in this section was aimed at defining BDS stereotypes and images.

The awareness questions required that BDS not be defined for respondent as definitions could bias opinion. This made the survey introduction challenging: that is, how does one introduce a survey on BDS without defining BDS (see Appendix Two). Once past the awareness questions, enumerators were free to clarify a predefined concept of BDS to ensure respondents could provide accurate answers to demand questions.

2.2.3 BDS Demand
The demand section sought to assess current and future demand for BDS in Jordan. Demand was measured and characterized in two sections of the survey. The first section estimated and characterized current BDS usage. It asked respondents about their motivations for using or considering BDS usage, sources of BDS, satisfaction levels, etc.. The second section estimated future demand for BDS including demand dollar volume, types of specific services required, and factors affecting BDS purchase decisions.

2.2.4 Sub-group Questions
A number of questions were also asked to segment respondent enterprises by the number of employees, monthly revenue, geographic location (urban or rural), business age, the gender of financial decision makers, and their education level.

2.2.5 Survey Data Analysis
Data analysis included summary data, simple frequency and percentage analysis of each question, and sub-group cross referencing. No causal statistical analysis was required for this analysis (although the data supports such analysis).

Part Two - Survey Summary Statistics

In total, 405 Jordanian businesses completed the MSE BDS Demand Survey. Of these, 325 were located in urban areas (80%) and 80 in rural areas (20%) (see Table 4). Men owned or were the decision makers for almost 90% of the businesses while women-owned businesses represented 8% of the sample. Three percent of the businesses were jointly owned by men and women.[5] These statistics were consistent across both the rural and urban samples.

Table 4
Survey Summary Statistics

	Number Surveyed	Percentage of Sample
Number of Surveys (N)	403	100.0%
Urban	325	80.%
Rural	80	20.%
Commercial businesses	102	25.3%
Services businesses	169	41.9%
Production businesses	132	32.8%
Men owned/operated	362	89.4%
Women owned/operated	31	7.7%
Joint ownership	12	3.0%

One hundred and two commercial (25%), 169 service (42%), and 132 productive enterprises (32%) were surveyed. Of these 63%, 84% and 89%, respectively, were urban and 37%, 16%, and 11% were rural.

Commercial enterprises represented 48% of the rural sample, more than 22% of the survey sample average and 27% more than the urban sample. Service businesses constituted 34% of the rural sample which was ten per cent less than the survey average and 11% less than urban sample. Productive enterprise represented 19% of the rural sample, compared to 36% of the urban and 33% of the survey sample.

With 405 enterprises surveyed, the sample can be considered representative of the national population of MSEs. Also, the distribution of urban and rural samples is representative of the population at large. Finally, the sample reflects the best estimate of distribution of MSEs by business type (commercial, service and productive).

1.0 Sample Highlights

The distribution of entrepreneurs' education levels follows a normal curve with a slight over-representation for those entrepreneurs with "less than elementary" schooling, at 10% of the sample (see Table 5). The middle levels - elementary and high school education - account for almost 50% of those surveyed. Respondents with higher levels of education - diplomas, and/or bachelors and post graduate degrees - totaled 41%.

Table 5
Education Levels of Respondents
(Survey question 26)

	N	
Less than elementary	41	10.1%
Elementary	110	27.2%
High school	90	22.2%
Diploma	59	14.6%
Bachelor	82	20.2%
Post Graduate	23	5.7%
Total	405	100%

Just over 13% of the businesses surveyed have been in operation for less than one year, while 32% were one to five years old, and over 55% had operated for more than five years (Table 6).

[5] Joint ownership responses were largely identical to those of men-owned businesses. For this reason they are not reported upon separately in the study.

Nine and 16% of the rural businesses have been in operation for one year or less and one to five years, compared to the survey sample averages of 13% and 31% respectively. Correspondingly, only 33% of rural business had operated for more than five years.

Over 50% of the decision makers within the enterprises surveyed had been in their post for fewer than five years. Twenty-one percent had worked in their positions for six to ten years, and almost 20% for eleven years or more.

Almost 86% of the enterprises in the survey earned less than JD1,000 per month (see Table 7). Fewer than 7% earned between JD1,000 and JD2,500. The remaining 2% earned JD2,500 or more. Almost all rural enterprise earned less than JD1,000, while 9% of urban enterprise earned between JD1,000 and JD2,500. Just 3% of urban businesses surveyed earned more than JD2,500. Ninety percent of service enterprises and 92% of production enterprises reported earning JD1,000 or less, compared to the survey average of 86%. Finally, all of the women-owned or operated business surveyed earned under JD1,000.

More than 94% of the businesses reported being formally incorporated. There were no variations among registered and non-registered businesses for any variables.

Table 6
Years of Business Operation
(Survey question 27)

	N	
Less than 1	53	13.1%
1 to 5	129	31.9%
More than 5	223	55.1%
Total	405	100.1

Table 7
Enterprise Monthly Income

$JD	N	
< 1,000	348	85.9%
> 1,000 < 2,500	28	6.9%
>2,500 < 5,000	6	1.5%
> 5,000	3	0.7%
Total	385	100%

Part Three - MSE Awareness of BDS

This section of the survey gauged respondents' awareness of BDS as a means to infer respondents' knowledge of, or experience with, BDS. Responses to questions in this section where left unguided by formal a definition of BDS in order to assess respondents' existing awareness of BDS.[6] Specifically, the awareness questions were intended to provide insight into preconceived notions of BDS and opinions not necessarily based on factual knowledge. The responses provide a sense of the barriers to expanding opportunities for developing BDS markets at a general level.

Understanding market awareness is a powerful means to characterizing how a market views a product as awareness shapes hard to change product opinions. Once understood, market awareness can be used to design and/or promote products with a degree of confidence of market acceptance.

1.0 Awareness Questions - Summary and Highlight Statistics

We first present a descriptive overview of statistical findings for each question. The findings are then integrated into an analytical summary. Conclusions are presented at the end of this section.

Question 1 (see Table 8)
In your opinion, what is the effect of BDS on projects and businesses in general?

In this question, we ask respondents about the general nature of BDS on their business. Respondents recognizing the strategic nature of BDS selected response 1 (Help Business Succeed). Responses 2 (Solve a Specific Problem) and 3 (Support a Specific Activity) indicate a more operational view to BDS (see Table 8).

Table 8
Question 1 – Summary Statistics

Help a Business Succeed	40.0%
Solve a Specific Problem	12.6%
Support a Specific Activity	14.1%
Don't Know	21.5%
No Influence	11.9%

Some 40% of the respondents believe the main effect of BDS is to help a business succeed. A smaller, yet significant number (26.7%) viewed BDS more operationally, perceiving it as a solution to specific problems (12.6%) or to support to specific tasks (14.1%). A large percentage of respondents (21.5%) did not know what the effect of BDS could be, and 11.9% believe BDS have no effect.

Table 9
Question 1 - Highlight Statistics

Use BDS Strategically	56.6%
Consider BDS Strategically	57.1%
Never Consider BDS Strategically	33.2%
Urban Strategically	42.5%
Urban Operational	25.2%
Urban Don't Know	18.8%
Rural Strategically	30.0%
Rural Operational	32.5%
Rural Don't Know	32.5%
Women Strategically	51.6%
Women No Influence	6.5%

Encouragingly, almost 60% of MSEs which use or have considered using BDS understand its potential strategic impact, as opposed 26% of those who consider BDS to be operational services (see Table 9). Among those "never having considered using BDS", 33% see them to be strategic interventions, 31% as operational, and 25% of did not know

[6] For example, Question 2 asks respondents to identify the BDS they think are available. In Question 11, by contrast, they are read a fairly comprehensive list of business development services which helps to form a more concrete awareness of BDS.

the potential effect. Only 2% of users and 11% who have considered using BDS believe it has no influence on businesses. Encouragingly, only 14% of those not considering BDS believe it has no influence.

Urban respondents viewed BDS more strategically (43%) than operationally (25%). By contrast, rural respondents perceive strategic and operational effects equally at 30%. Compared to the survey average, almost twice the number of rural respondents (32%) did not know what the effects of BDS could be. Women on average were more likely to view BDS strategically(52%); 19% see it as a means to solve a problem. Very few women (7%) believed that BDS had no influence on a business.

Question 2 (See Table 10)
What kinds of BDS do you think are available? (do not read list but, check all BDS mentioned)

In this question, we ask respondents about to name business development services they believed to be available. A list of services was developed by the surveyors but not provided to respondents. The list was divided into two categories: "BDS Support Services", or those which provide support to ongoing functions within a business, which, while important to the maintaining the health of an operation, do not in-and-of-themselves help to develop a business into something more than it already is. The second category: "BDS Development Services" have the purpose of developing a business, typically helping it to grow or to better manage activities (e.g., greater efficiencies). Fewer than 25% of respondents identified a variety of BDS support services; only 10% were able to name developmental services.

Individual services most recognized were information technology support (5.5%), advertising support (4.3%) and accounting support (3.5%).

Overall awareness of specific BDS services is particularly low with almost 65% of respondents being unable to name a specific BDS. This compares unfavorably with general knowledge: in Question 1, for example, where only 22% of respondents could not name the benefits of BDS.

Table 10
Question 2 - Summary Statistics

	No.	%
BDS Support Services		
Accounting services	17	3.5%
Bookkeeping services	4	0.8%
Secretarial services	10	2.0%
Engineering/architecture support services	6	1.2%
Advertising support services	21	4.3%
Marketing Services (e.g., distributor)	12	2.4%
Legal support services (e.g., legal forms)	14	2.9%
Brokerage services	5	1.0%
IT support services	27	5.5%
Technical support services (Non IT)	5	1.0%
BDS Support		24.6%
BDS Development Services		
Business management consulting	7	1.4%
Business management training	3	0.6%
Product development / design	8	1.6%
Production systems design	5	1.0%
Marketing consulting (e.g., planning)	6	1.2%
Marketing training	6	1.2%
Human resource development consulting	2	0.4%
Human resource development training	2	0.4%
IT technical consulting	3	0.6%
IT training	4	0.8%
Financial planning	3	0.6%
Financial training	1	0.2%
Technical consulting (Non IT)	1	0.2%
Others	2	0.4%
BDS Developmental		10.8
I don't know		64.6%
Total	491	100%

Question 3 (see Table 11)
Which of the following provide BDS? (check yes or no)

This question was meant to test awareness of BDS suppliers as a means to both understand where respondents would likely look for business development services and to compare responses against actual BDS supply.

Almost 60% of respondents believe BDS is available primarily from the private sector. Two-thirds failed to identify government, NGOs, and business associations/chambers of commerce as potential BDS suppliers. The only significant derivation from these observations was that over 70% (or 12% more than the sample average) of those enterprises "using", or "considering the use" of BDS, believe the private sector supplies BDS.

Table 11
Question 3 - Highlight Statistics

	Yes	**No**
Government	35.1%	64.9%
Private Sector	58.3%	41.7%
NGOs	33.8%	66.2%
Business Associations/Chambers of Commerce	31.4%	68.6%

Question 4 (See Table 12)
What is your general opinion of BDS? (choose one only)

MSE owners are often not aware of the variety of different business development services that can be benefit MSEs. Question 4 queried respondents as to whether BDS is, in a general sense, useful for their business. Over 80% believe BDS "is useful" (35.1%) or "may be useful" (45.7%) to their businesses, with only 19% believing it "not to be useful".

Those who "use" or "have considered using" BDS are more likely to perceive BDS as "useful", 57% and 41% respectively, compared to the 35% and 46% survey averages. Rural respondents are more skeptical as to BDS usefulness (21%), while 58% feel it "may be useful". The number of women viewing BDS as useful (45%) was 10% higher than the average; 10% fewer women than the average believe BDS not to be useful. A larger than average number of respondents with a post-graduate education, than those with elementary school only, believe BDS not to be useful.

Table 12
Question 4 – Summary and Highlight Statistics

Useful	35.1%
May be Useful	45.7%
Not Useful	19.3%
Use BDS - Useful	56.6%
Consider BDS - Useful	41.3%
Rural - May be Useful	57.5%
Rural - Not Useful	21.3%
Women - Useful	45.2%

Question 5 (See Table 13)
In your opinion, who uses BDS the most? (choose One)

Question 5 queried respondents as to the usefulness of BDS for their size of business (i.e., a MSE). Significantly, and in contrast to Question 4, only 20% believe that BDS is for MSEs. Rather, respondents tend to believe that BDS are for larger corporations with sophisticated needs and big budgets.

Table 13
Question 5 - Summary and Highlight Statistics

My Size	19.5%
Bigger	80.2%
Use BDS - My Size	28.3%
Rural - My Size	8.8%
Women - My Size	41.9%

The perception of BDS being appropriateness for MSEs is obviously a significant barrier to BDS awareness and use. Even of those respondents already using BDS, only 28% believe it to be appropriate for their size of business. Only 8.8% of rural respondents viewed BDS as being appropriate to MSEs. Strikingly, and in contrast to the survey sample as a whole, over 41% of women-operated MSEs believe BDS to be appropriate for businesses of their size.

Question 6 (See Table 14)
Which is most true for your business? (choose one only)

The survey suggested that price sensitivity could be a barrier to MSE BDS market development and indicated the critical need to understand respondents' perceptions of affordability from a pricing and promotion perspective.

Whereas just over three-quarters of respondents believe BDS to be generally (41%) or relatively (35.1%) affordable, almost one quarter of respondents believe service not to be affordable.
These averages do not vary significantly according to BDS usage or geographic location of businesses, although slightly more women believe BDS to be "affordable" or that it "may be affordable" (84%) than the survey average (75%).

Table 14
Question 6 - Summary & Highlight Statistics

Affordable	40.5%
May be Affordable	35.1%
Not Affordable	24.4%
Women	
Affordable	38.7%
May be Affordable	45.2%

Question 7 (see Table 15)

Do you think your business could benefit from appropriate BDS? (Yes or No)

Over 80% of respondents believe their business could benefit from BDS. Businesses using BDS (100%) and considering using BDS (95%) believe, on average, much more in the benefits of BDS than those who have never considering using such services. Not surprisingly, 25% of respondents who have never considered using BDS see fewer benefits.

Urban and rural opinions both reflect the survey sample average. The number of women responding to the question (11 of 31 in the survey) was too small to infer a statically significant response, but of those who did answer, 73%, or 8% less than the average, believed that BDS would benefit their businesses.

2.0 Summary of BDS Awareness

In general, MSEs have a positive view of BDS. One hundred percent of "current" or previous BDS Users and 95% of those who "have considered using" BDS believe such services can benefit their business. That, however, is the end of the good news.

For the most part, BDS, seems not to be a familiar term. Respondents could not identify more than an handful of BDS services; and most of these were BDS support services. This underscores MSEs' focus on the operational as opposed to the strategic business enhancement value of BDS. Sales-related technical BDS support services are relatively well recognized, whereas marketing strategy development or business management consulting to support sales are not.

Importantly, the majority of respondents felt that BDS were not for MSEs or for "their type" of enterprise. This sentiment was reinforced in Question 5, where 80% of respondents indicated that BDS are not for enterprises their size. The corollary is that MSEs feel BDS to be for larger businesses. Logically, it should follow that respondents would feel cost to be a barrier to BDS. But affordability findings are mixed and the majority of respondents feel that BDS "are affordable" or "may be affordable".

Table 15
Question 7 – Summary & Highlight Statistics

Yes there is a Benefit	80.7%
No there is no Benefit	18.3%
Benefit - Use BDS	100.0%
Benefit - Consider Using BDS	95.2%
Benefit - Not Using BDS	24.7%
Women	72.7%

Awareness finding are most striking for rural MSEs which appear to be the least aware of and most likely resistant to BDS. The opposite is true of women, who, in studies around the industrialized and developing world, have shown an natural talent for seeking business advice. These observations are not statistically significant, however, and no other sub-group (e.g., by business type) differences emerged from the Awareness section of the survey.

2.1 Summary Awareness Points

1) BDS "users" and those "considering the use" of BDS are reasonably aware of BDS;

2) BDS "users" and those "considering the use" of BDS view BDS as beneficial;

3) Approximately 75% of those surveyed believe BDS is, or may be, affordable;

4) Most respondents viewed BDS as a operational business activity;

5) Rural businesses are likely to be more resistant to BDS usage; and

6) Women-owned businesses are likely to be more open to BDS.

2.2 Conclusions

MSEs are aware of a set of services that can help their businesses but do not necessarily identify with "BDS" as a service sector; this is less true for MSEs with BDS experience. The balance of MSEs believe BDS to be for large businesses, and not necessarily appropriate for SMEs. This perception is a critical awareness barrier to promoting the use of MSE-appropriate BDS. Fortunately, most MSEs are positively inclined towards BDS as a starting point and believe them too be affordable.

Part Four - MSE BDS Usage

This section of the survey more closely defined the nature of BDS demand. Beginning with Question 8, summary and highlight statistics are presented followed by a short analytical summary. A general summary and set of conclusions can be found at the end of this section.

It is important to note that Question 8, the first of this section, sorts respondents by BDS usage. Those “using” BDS (53 respondents) or “having considered using” BDS (63 respondents) advanced to Question 10 and were queried on a host of issues that sought to characterize decisions for making or considering making BDS purchases, sourcing BDSinformation, regarding outcome expectations and degrees of satisfaction.

Those “not having considered using” BDS (289 respondents) advanced to Question 9 which asked why they have not used nor considered using BDS, after which they advanced to Question 22 regarding potential future BDS demand.

1.0 MSE BDS Usage Summary and Highlight Statistics

Below, we first present a descriptive overview of statistical findings for each question, followed by a short analytical summary.

Question 8 (see Table 16)
Which of the following apply to your use of BDS?
Only 13% and 16% of businesses surveyed “use” BDS or “have considered using” BDS for a combined total of 29% of enterprises being relatively aware of business development services; correspondingly, 71% of respondents “having considered using” BDS.

Table 16
Question 8 - Summary Statistics

	N	
Using BDS	53	13.1%
Consider Using BDS	63	15.6%
Never Considered BDS	289	71.4%
Total	405	100%

Notably, fewer than 8% of rural enterprises use BDS and only 11% have considered using BDS. Service businesses are more likely to “have used” (19%) or “consider using” (19%) BDS whereas commercial businesses are less likely than the average to “have considered” BDS (7%). Almost 80% of production businesses “had not considered using” BDS.

Table 17
Question 8 - Highlight Statistics

Using BDS - Rural	7.5%
Consider Using BDS - Rural	11.3 %
Never Considered BDS - Rural	81.3 %
Never Considered Using BDS – Commercial	78.4 %
Using BDS - Services	18.9 %
Consider Using BDS - Services	18.9 %
Never Considered BDS - Services	62.1 %

The survey found that businesses operating for less than one year used approximately 5% less than the average amount of BDS. Those with one to five years of operations used almost six percent more than the average (32% to 38%), but those considering using BDS in this business age category were 10% less likely than the average (32% to 22%) to use BDS. BDS usage did not vary by the number of years an enterprise decision-maker had been in a given business.

Similarly, usage did not vary significantly by business income, with the exception of those businesses earning less than JD1,000 monthly, which used BDS five per cent less than the average (90% as compared to 86%).

Summary
Overall BDS usage is low at 13%, a figure that does not vary much by any sub-grouping of the survey data. It is important to note, however, that not using or not having considered using BDS does not necessarily mean that enterprises are not interested in such services. In fact, as noted in Question 2, some 65% of MSEs surveyed admit to not knowing what constitutes BDS, or feel that such services are not targeted at their type or size of business (Question 4 and 5). This suggests that a fair percentage of MSEs could be open to BDS purchase given greater exposure to or knowledge of the services available.

Question 9 (see Table 18)
Why have you never purchased BDS? (do not prompt, fill in most appropriate answers)

This question was answered *only* by those enterprises that "have not considered using" BDS.

Just over 41% of respondents report they "do not need help" (26%) or "can manage things themselves" (15%). Conversely, 18% "did not know of any BDS suppliers" and another 23% simply "did not know what BDS are". Only 8% reported a "lack of funds for BDS". As such, just under 42% of respondents are unlikely BDS purchasers ("I don't need" at 26% and "I can manage myself" at 15%); conversely, 58% have not considered using BDS for reasons other than "not wanting to do so".

Table 18
Question 9 – Summary Statistics

I never thought about it	7.8%
I don't need	26.4%
I can manage myself	15.3%
I don't know BDS suppliers	17.6%
No good quality suppliers	1.0%
I don't know BDS	22.8%
Lack of finance	8.1%
No BDS services in area	0.7%
Bad Economy	0.3%

Some 37% of rural area enterprises have not considered BDS use for lack of awareness of the services available, far in excess of the sample average of 23%.

Among the various income groups, 24% of those businesses with monthly incomes of less than JD1,000 cited "not knowing about BDS" as the reason for not considering them. Businesses with monthly average incomes between JD1,000 and JD2,500 claim "they can either manage their businesses alone" (10%) or "do not need assistance" (52%).[7] Just over 30% of businesses with incomes between JD2,500 and JD5,000 claim "not knowing BDS suppliers" as the reason for not having contracted services.

Table 19
Question 9 Highlight Statistics

I don't know BDS suppliers - Rural	10.4 %
I don't know BDS - Rural	37.3 %
I don't know BDS - < JD1000	24.2 %
I don't need - $JD1000 to JD2500	52.4 %
I can manage myself - $JD1000 to JD2500	9.5%
I don't know BDS suppliers - $JD1000 to JD2500	33.3 %

[7] Due to the small number of businesses in this income category results may not be statistically significant.

Summary
Of the those who have never considered BDS only 42% have not done so because they "do not want such services". The balance, or 58%, have not considered BDS for a variety of reasons, the most often reported being ignorance of such services (23%). BDS is thus an option for at least two-thirds of those not having considered BDS. This brings the total potential market ("users", "considered using", and "never considered using but not because they don't want BDS") to about 83% of those surveyed.[8] Response to this question did not vary significantly by sub-group.

Question 10 (see Table 20)
When was the last time you acquired/considered using BDS? (choose one)

Questions 10 was asked only to those "using" BDS or those who "had considered using" BDS. Those "never having considered using" BDS advanced to Question 22.

Table 20
Question 10 – Summary Statistics

	N	% of Users	Cumulative %	% Survey Sample
Currently use BDS	19	16.4%	16.4%	4.7%
Within last month	33	28.4%	44.8%	8.1%
Within last six months	20	17.2%	62.0%	4.9%
Within last year	14	12.1%	74.1%	3.5%
More than a year ago	30	25.9%	100.0%	7.4%
Total	116	100%		28.6%

A total of 113 enterprises, or 29% of the 405 businesses surveyed, have used or have considered using BDS. Of these, 16%, or 19 of the businesses interviewed, are currently using BDS, representing 5% of the survey sample. A total of 86 MSEs, or 76% of the BDS users and 21% of the survey sample had used BDS within the last year. Of those considering using BDS, 43% reported having done so within the last month.

Table 21
Question 10 - Highlight Statistics

Current BDS User - Using BDS	28.3 %
BDS User Within the Last Month – Using BDS	11.3 %
BDS User Within the Last Month – Consider Using	42.9 %
Current BDS User - Rural	6.7%
Current BDS User - Women	25.0 %
Within last Year BDS User - Women	87.5 %

Only 7% of rural enterprises surveyed were current BDS users, well below the user average of 16% but above the survey average of 5%. This figure also represents less than 10% of those enterprise that have used BDS within the last year. The number of women-owned or -operated MSEs currently using BDS is almost 10% more than the user average and well above the sample survey average. Over 87% of women, in fact, have used or considered using BDS within the last year compared to the user average of 74%.

Summary
Over one fifth of the businesses surveyed have "used" or have "considered using" BDS at some time or another. There is no significant usage variation by business type, education, or another sub-groups of the sample, with the exception of rural businesses and female entrepreneurs. Consistent with findings in other questions, rural enterprise reported lower BDS usage, whereas women appear more open to BDS usage.

[8] Formula for determining potential usage: 289 (respondents not considering BDS) * 0.77 (respondents not considering BDS for reasons other than choice) = 223 respondents. 223 + 116 (53 BDS users + 63 consider using BDS – from Question 8)/405 (survey sample) = 83%.

Question 11 (see Table 22)
What kinds of BDS services have you used, are you using, or have considered using? (choose as many as noted)

Based on a list of BDS services, the survey found the distribution of BDS currently being used or considered being used to be a relatively narrow range of services. Concentrations are found in BDS support services including advertising, marketing, and information technology. BDS development services used frequently included product development/design, marketing consulting, and financial planning.

There were no significant differences between BDS users" and those businesses "considering BDS use", with the possible exception that those "using" and "considering BDS usage" were more interested in advertising support, 19% and 12 %, compared to the survey average of 15%.

Interestingly, respondents used more BDS than they recognized in Question 2. Only 4% and 2% of respondents, for example, expressed awareness of BDS advertising and marketing support, respectively, despite the fact that 15% and 12% of respondents reported using these services.

The patterns of rural BDS "users" and those "considering use" mirrored those for urban enterprises, with the exception that rural enterprise use more marketing consulting (10%) and financial planning (10%), compared to 3% and 5% for urban MSEs and 5% and 4% for the sample average.

Gender differences were negligible, though women reported using bookkeeping services (7%) on average more than did men (2%).

Table 22
Question 11 - Overview Statistics

Accounting services	4.8%
Bookkeeping services	2.4%
Secretarial services	3.4%
Engineering/architecture support services	5.2%
Advertising support services	14.8%
Marketing Services (e.g., distributor)	11.7%
Legal support services (e.g., legal forms)	4.1%
Brokerage services	3.1%
IT support services	10.7%
Technical support services (Non IT)	9.0%
Business Support BDS	69.2%
Business management consulting	1.4%
Business management training	1%
Product development / design	5.9%
Marketing consulting (e.g., planning)	4.1%
Marketing training	2.1%
Human resource development consulting	0.3%
Human resource development training	1.7%
IT technical consulting	2.8%
IT training	2.8%
Financial planning	5.2%
Financial training	0%
Technical consulting (Non IT)	2.1%
Technical training (Non IT)	1%
Others	1.4%
Business Development	31.8%

Sectorally, commercial enterprises used almost twice the survey average of marketing services and 40% less technical support (non-IT) services. Production companies used three times the survey average product development and design services. Service enterprises consumed less than half of the average amount of marketing consulting services while commercial sector enterprises used more than double.

Table 23
Question 11 - Highlight Statistics

	Users	**Consider**	**Average**
Advertising Support – Users	18.5%	12.3%	14.8%
	Urban	**Rural**	**Average**
Marketing Consulting – Rural	3.4%	10.3%	4.1%
Financial Planning – Rural	4.6%	10.3%	5.2%

For the most part, the distribution of services across education levels reflected the survey sample average. Exceptions included post-graduates who use twice the information technology services and five times more IT training than survey averages. Those with “elementary school or less” use three times more non-IT technical support and product design services than the survey average. Diploma and post-graduates used more developmental services, 42% and 46%, respectively, compared to the average 31%.[9] Bachelor level respondents used more BDS service 75% compared to the average of 70%.

Table 24
Question 11 - Highlight Statistics

	Usage	**Awareness**	**Average**
Advertising support services	14.8%	4.3%	14.8%
Marketing Services (e.g., distributor)	11.7%	2.4%	11.7%
IT support services	10.7%	5.5%	9.0%
Product development / design	5.9%	1.6%	5.9%
Marketing consulting (e.g., planning)	4.1%	1.2%	4.1%
Financial Planning	5.2%	0.6%	5.2%

Clearly, respondents do not have a solid understanding of the term BDS, as they use far more BDS services than they are actually aware of. This indicates a sector brand name recognition problem.

At the usage level, no real solid trends emerged other than a greater tendency to use marketing-related BDS, something that is consistent with BDS usage in other developing countries. Also consistent, though less significant, is the usage and awareness of IT BDS.

The most significant differences in enterprises “using” and “considering using” BDS was by business type, where we saw commercial businesses focusing on marketing, service businesses on technical support and production enterprises on product development and design. These trends are consistent with those found in other developing countries and, of course, make sense given the functional needs of each business type.

[9] The relatively small number of responses from owners or operators with higher education qualifies the significance of this finding.

Table 25
Question 11 - Enterprise Type Highlight Statistics

	Commercial	Service	Product	Average
Marketing Services	20.4%	7.4%	14.1%	11.7%
Technical support services (Non IT)	5.6%	12.9%	12.7%	9%
Product development / design	1.9%	3.1%	15.5%	5.9%
Marketing consulting	9.3%	1.8%	5.6%	4.1%

Table 26
Question 12 – Summary Statistics

Family/Friends	18.8%
Business partners/Colleagues	18.3%
Business association/Chamber of Commerce	1.9%
Daily newspaper	17.8%
Journals	4.7%
Promotional flyers	4.7%
Radio	0.9%
Television	8.5%
Advertisements	5.2%
Government office	0.5%
Business directory	1.9%
Internet	3.3%
Non-governmental organization/ Donor agencies	4.2%
Personal visits by BDS supplier	6.6%
Other	0.5%
I don’t remember	1.9%
Studied the subject	0.5%

Question 12 (see Table 26)
How did you learn of or hear about the BDS you are currently using, last used, or considered using? (read and check 3 only)

Personal contacts provided 37% of the sources for learning about BDS, with family and friends being the single largest source, followed by business partners and colleagues, and daily newspapers.

Table 27
Question 12 - Highlight Statistics

Internet – Urban	3.7%
Internet – Rural	0.0%
Family/Friends – Men	16.8%
Family/Friends – Women	63.6%

Women relied far more (64%) on personal contacts than men (17%) who relied on a fairly broad range of sources for BDS referrals as reflected in average scores. Interestingly, electronic media, such as television (9%), radio (1%) and the internet (3%), lagged far behind personal contacts. Not surprisingly, the Internet figured more in urban areas (4%) as compared to rural areas (0.0%).

There were no other significant variations by sub-group.

Table 28
Question 13 – Summary Statistics

I had a specific business problem to solve	6.0%
I want to make my business more efficient	58.6%
I want to improve my businesses planning capacity	6.0%
I want to expand my business	29.3%
Total	100%

Summary
Clearly, enterprises depend on personal contacts for sourcing BDS, a finding consistent with BDS literature in general. Print media still reigns over electronic media as a source of information (though this does not speak to the credibility of television or radio over other sources). Interestingly, government, NGOs, and business associations do not figure large as sources of information, particularly given that they are the primary source of business development services.

Question 13 (see Table 28)
What was the main thing that made you think of using BDS? (choose one only)

Increased efficiency was the main motivation for businesses using or considering usage of BDS (59%). Another 29% of respondents saw BDS as a means to expand their businesses. Business planning and solving a specific problem were lesser objectives.

Table 29
Question 13 – Highlight Statistics

	Urban	Rural	Average	
Efficiency – Urban	56.4%	73.3%	58.6%	
Expand Business – Urban	30.7%	20.0%	29.3%	
	Commercial	**Service**	**Production**	**Average**
Problem Solving	18.2%	3.1%	3.6%	6.0%
Improve Efficiency	45.5%	64.1%	53.6%	58.6%
Expand Business	31.8%	25.0%	39.3%	29.3%

In rural areas, the desire to increase efficiency was much higher, at 73%, than in urban areas. Similarly only 20% of urban MSE owners sought BDS in order to grow their business. More commercial businesses than the survey average wanted to solve specific problems (64% to 59%), whereas service businesses were more interested in efficiency (18% to 6%). More production businesses than average wanted to increase production (39%) and sales (32%) compared to the survey average (39% and 29% respectively).

There were no significant gender differences.

Summary

Motivation for seeking out BDS varied most significantly by business type. Consistent with Question 11, production companies are motivated more by a desire to expand production and to a lesser extent to increase the size of their businesses. This is also consistent with Question 11 which reports productive businesses to be slightly more interested in marketing and sales than the survey average. That service business report an high degree of interest in efficiency is intriguing given the nature of service business management, but is consistent with the average or above usage of technical support (see Question 11).

Question 14 (see Table 30)

From whom have you received or considered obtaining BDS (whether you had to pay for services or not)? (read list and check as many as applicable).

The majority of enterprises surveyed, report private sector BDS suppliers as the main source of services. Friends and family, government, and other sources follow in importance.

Of those using BDS (53 respondents), 15% and 71% use government and private sector BDS sources, respectively, more than 6% and 7% above the survey average.[10] Almost 10% and 5% fewer than the survey average of those considering using BDS, expect to source BDS from the private sector and the government respectively.

The only significant difference geographically is that 20% of rural enterprises use or expect to use friends and family as BDS providers, more than 7% above the average. Both service and productive business also use or view friends and family as a source BDS, 20% and 23% respectively, compared to the survey average of 13%. Producer enterprise use or see business associations and Chambers of Commerce or industry as a prime source of BDS (18% compared to the average of 3%).

Table 30
Question 14 - Summary Statistics

NGO/Donor agency	4.3%
Government/Government agency	9.5%
An individual/firm that sells BDS	54.3%
An individual/firm from whom I buy inputs	4.3%
An individual/firm to whom I sell my products	1.7%
Friends/family	12.9%
Business associations/Chambers of commerce or industry	2.6%
Other	10.3%
Total	99.9%

[10] The private sector is defined for the purposes of this question to include: individuals/firm that sell BDS, an individual/firm from whom inputs are purchased, and individual/firm to whom products are sold. This does not recognize family and friends as private sector suppliers, thus the number of private sector suppliers could be significantly greater.

No other significant variations for survey sub-groups was reported.

Summary
Clearly, private BDS suppliers dominate the MSE market. Consistent with Question 12, which reported personal contacts as primary sources of BDS, family and friends also constitute significant sources for BDS.

Variations by business type are notable with production enterprise sourcing a significantly higher number of BDS through business associations and Chambers of Commerce (18%), as compared to the sample average of 3%.

Table 31
Question 14 - Highlight Statistics

	User	**Consider**	**Average**	
Government/Government Agency - User	15.1%	4.8%	9.5%	
An individual/firm that sells BDS	66.0%	44.4%	54.3%	
Other	10.3	1.9%	17.5%	
	Urban	**Rural**	**Average**	
Friends/family	11.9%	20.0%	12.9	
	Commercial	**Service**	**Product**	**Average**
Friends/family	11.9%	20.0%	22.7%	12.9
Business Associations/Chambers of Commerce	0.0%	4.7%	17.9%	2.6

Question 15 (see Table 32)
What return did/would you expect from BDS? (choose one)

This question asks those enterprises "using" and "considering using" BDS about their expectation from BDS. The question is different from Question 13 in that it seeks to understand what respondents *ultimately expect* from BDS as opposed to the *motivations* which caused them to seek out such services.

The survey found that almost 60% of respondents expect to either increase efficiency or increase sales. Just over 12% expected no returns. Expectation within user groups vary significantly with a surprising 23% of current BDS users expecting no return from services, whereas only 3.2% those considering using BDS have no return expectations. Only 2% of those enterprises interested in BDS for development purposes had no return expectations, compared to those interested in BDS for business support (11%).

Table 32
Question 15 - Summary Statistics

No real return	12.1%
Increasing efficiency	28.4%
Increasing productivity	19.0%
Expanding production	11.2%
Increasing sales	29.3%
Total	100%

Of current BDS users (see Table 33), some 34%, or 6% more than survey average, expect increased efficiencies and 17% expect increased sales, 12% less than the survey average. Close to 40%, or 12% more than average, of those considering using BDS expect increased sales. Significantly, 23% of BDS users expect no return to services.

There are two significant urban and rural expectation differences. Twenty-seven percent of rural enterprises expect to expanded production compared to the survey average of 11%. These findings are somewhat at odds with those in Question 13 where fewer than the survey average of rural enterprise reported a desire to expand business as a principal motivation for seeking BDS.

Expectations by enterprise type are notable (see Table 151). Service business demand for BDS varies with 40% wanting increasing efficiencies, and approximately 20% demanding increasing sales and increased productivity. A large majority of commercial enterprise want increased sales while production businesses want to expand production and increase productivity.

Table 33
Question 15 - Highlight Statistics

	Using	Consider	Average
No real return	22.6%	3.2%	12.1%
Increasing efficiency	34.0%	23.8%	28.4%
Increasing productivity	17.0%	20.6%	19%
Expanding production	9.4%	12.7%	11.2%
Increasing sales	17.0%	39.7%	29.3%
	Urban	**Rural**	**Average**
Increasing productivity	20.8%	6.7%	19%
Expanding production	8.9%	26.7%	11.2%
	Support	**Development**	**Average**
No real return	10.9%	2.4%	12.1%

Production enterprises also tended to expect significantly more productivity expansion than average (62% compared to 11%). Interestingly, they feel the need to increase sales, indicating either production under-capacity, overcapacity in sales, or a disconnect between the two.

Summary
MSEs with exposure to BDS are sanguine about returns and seem to have low expectations for investments in BDS, suggesting significant disillusion with BDS at the least, and supplier quality control problems at the worst.

BDS usage expectations by enterprise type (sector) provides the first and only significant variation in the survey. Production companies are much more interested in BDS related to production activities. Service firms have varied interests, and commercial enterprise want to increase sales.

Table 33
Question 15 - Business Type Expectation

	Commercial	Service	Production	Average
Increasing efficiency	9.1%	39.1%	9.5%	28.4
Increasing productivity	4.5%	20.3%	23.8%	19
Expanding production	4.5%	9.4%	61.9%	11.2
Increasing sales	63.6%	18.8%	4.8%	29.3

Question 16 (see Table 34)

You have considered/would consider using BDS because: (read list and check all noted)

Among survey respondents, the most noted reason for engaging BDS is a lack of expertise. Importantly, 32% of men and over half of the women respondents claimed a lack of expertise. Women also believe BDS to be less expensive than do men.

“Competitors use of BDS” was the second most frequent response for considering BDS. This finding is intriguing as it infers a fairly sophisticated view of BDS markets and is not necessarily consistent with respondents’ poor general awareness of BDS. This was followed by “less expensive than doing required service in-house” (20%) and “lack of time” (10%).

Summary
Given best practice knowledge, women seem to appreciate the inherent limitations of single- handedly managing MSEs, the value of specialized expertise and the cost benefits of engaging BDS.

The competitive finding edge is harder to understand given the level of BDS knowledge demonstrated by most MSE, although it certainly suggests an avenue for marketing BDS as a competitive advantage (or in the case of non-usage, disadvantage!).

Table 34
Question 16 - Summary Statistics

BDS is less expensive than doing it myself or using my own employees	19.7%
I or my staff do not have the expertise to do the BDS ourselves	34.1%
I or my staff do not have the time to do the BDS ourselves	9.8%
My competition may be using BDS	26.5%
Legal requirements	5.3%
To promote my business	1.5%
Stagnant economy of area	2.3%
Annual office maintenance	0.8%
Total	100%

Question 17 (see Table 36)
Compared to your expectations, how satisfied have you been with the BDS you received? (choose one)

Only BDS users answer this question. Those respondents "considering using" BDS advance to question 22

Respondents were "extremely satisfied" with their BDS just 13% of the time and "very satisfied" almost 30% of the time, for a combined positive satisfaction rating of 41%. Correspondingly, 59% of MSEs were either somewhat satisfied (46%) and not at all satisfied (13%).

Table 35
Question 16 - Highlight Statistics

	Commercial	**Service**	**Production**	**Average**
Lack Expertise	41.7%	32.9%	30.0%	34.1%
Competition Using	16.7%	27.6%	33.3%	26.5%
Promote Business	8.3%	0.0%	3.3%	1.5%
	Men	**Women**		
Less Expensive	19.0%	40.0%		
Lack Expertise	31.9%	50.0%		

Just over 52% of enterprises currently using support services were somewhat satisfied, compared to the survey average of 46%. Some 75% of those enterprise using BDS support and development services expressed satisfactory or less than satisfactory BDS performance, the difference being that 23% of the former and 6% of the latter were not at all satisfied.

Table 36
Question 17 - Summary Statistics

	%	**Cumulative %**
Extremely satisfied	13.0%	13.0%
Very satisfied	27.8%	40.8%
Somewhat satisfied	46.3%	87.1%
Not at all satisfied	13.0%	100.0%
Total	100%	

Of the 70 enterprises sourcing BDS from the private sector (see Question 14), 8% were "extremely satisfied" and 31% were "very satisfied", for a total satisfaction rate of 39%. A combined 38% of enterprises sourcing BDS from government were "extremely satisfied" (13%) and "very satisfied" (25%), although just over 42% of private sector BDS users were "not at all satisfied" with service. Interestingly, none of those using government supplied BDS were "not at all satisfied" with services. Family and friends were rated poorly as BDS suppliers with 40% of respondents "somewhat" and "not at all satisfied" with services.

No commercial enterprise reported "extreme satisfaction" with BDS, while 18% of service companies interviewed were "extremely satisfied" (5% more than the sample average). Commercial companies were "somewhat satisfied" with BDS 63% of the time, far above the average of 46%, whereas service firms were below average at 40%. There was no variation by enterprise type among those respondents who were "not at all satisfied". Production firms were difficult to please with only 8% and 23% reporting being "extremely" or "very satisfied", although over 60% of production businesses were "somewhat satisfied".

Table 37
Question 17 - Highlight Statistics

	BDS Support	**BDS Develop**	**Average**	
Somewhat satisfied	52.3%	70.6%	46.3%	
Not at all satisfied	22.7%	5.9%	13%	
	Service	**Commercial**	**Production**	**Average**
Extremely satisfied	18.2%	0.0%	7.7%	13.0%
Very satisfied	30.3%	25.0%	23.1%	27.8%
Somewhat satisfied	39.4%	62.5%	53.8%	46.3%
Not at all satisfied	12.1%	12.5%	15.4%	13.0%

Businesses paying full-fees for BDS were seldom "extremely satisfied" (8%), rather, they were more likely to be "very" (31%) or "somewhat satisfied" (47%). This compared to 22% "extremely" and another 22% "very satisfied" of those not paying full-fees (e.g., receiving free or partially subsidized services from friends, family, or the government). Full and non-full-fee payers expressed about the same level of dissatisfaction (14% and 11% respectively).

Table 38
Full Fee Satisfaction Levels

	Full Fee%	**Not Full Fee**
Extremely satisfied	8.3%	22.2%
Very satisfied	30.6%	22.2%
Somewhat satisfied	47.2%	44.4%
Not at all satisfied	13.9%	11.1%

There was no significant variation by rural or urban respondents.

Summary
Less than half of all BDS services were rated as being more than satisfactory, suggesting BDS supply quality problems. Commercial enterprise especially feel poorly served by BDS. Importantly, BDS support service were judged to be much less satisfactory than developmental, though at 75% or less satisfactory performance, neither category of service met expectations.

The relatively poor BDS experience ratings are inconsistent with the generally positive responses to awareness question where some 80% thought BDS could benefit their business. This result is somewhat more consistent with the opinion found in Question 4 that BDS "would be useful" (35%) and "may be useful" (45%).
It is important to note that whether paying full-fees or not, respondents were almost equally "somewhat satisfied" with BDS (39% to 44% respectively). This suggests discounted BDS services have no competitive advantage in the market place.[11]

[11] Unfortunately, only one MSE reported having receiving a subsidy, clearly too a small a sample to draw statistically significant conclusions. That means that question 19, which in retrospect is poorly worded (i.e., did not discriminate categories of non-full fee paying categories such as discounts, special offers etc.), provides the only suggests the impact of discounted fees on BDS usage (which could include subsidies).

Question 18 (see Table 39)
If not satisfied, what are the reasons? (read list and check all that are noted)

Only respondents selecting "not at all satisfied" in Question 17 answered this question.

For those respondents not satisfied with the BDS they have contracted, almost 50% reported problems with service quality. Timeliness of delivery (e.g., speed of delivery or convenient timing of delivery) was reported as being unacceptable almost 30% of the time.

There were no significant deviations from these results by area, MSE business type, nature of BDS (i.e., support or developmental). There were insufficient responses from women to draw any gender-based conclusions.

Table 39
Question 18 – Summary Statistics

	%	Cumulative %
Quality of Service	45.5	45.5%
Timelines of Delivery	27.3	72.8%
Method of Delivery	9.1	81.9%
Time Commitment	9.1	91.0%
Suitable for Need	9.1	100.0%
Total	100	

Summary
The general sentiment among MSEs is that the BDS quality issue is related to BDS supply and not due to internal MSEs issues. If we consider quality of service, timeliness of delivery, and method of delivery as supply-driven considerations, then 82% of quality issues are related to suppliers. Time commitments were related to both the supplier and the MSEs. Finally, the 9% dissatisfied for BDS suitability issues indicates a modest lack of appropriate services or a supply-demand mismatch.

Question 19 (see Table 40)
Have you ever paid/are you paying the full fee for BDS? (without subsidies – Yes or No)

Two thirds of enterprise have paid full fee for one BDS intervention or another. Just over 33% have also received BDS at below-market rates. There were no significant differences in responses by area, business type, nor nature of BDS (i.e., support or developmental). There was too few data responses from women to draw any gender-based conclusion.

Table 40
Question 19 – Summary Statistics

Yes	66.7%
No	33.3%
Total	100%

Question 20 (see Table 41)
Have you ever received subsidized BDS - Including full subsidy (Yes or No)?

If answer is yes then respondent advances to Question 21. If answer is no then respondent advances to Question 22.

Table 41
Question 20 – Summary Statistics

Yes	2%
No	98%
Total	100%

Only one enterprise of those using BDS, an urban production enterprise owned or operated by a male, had received subsidies.

Question 21
From whom have you received subsidized BDS?

Only one enterprise received a subsidy for BDS. The source was a government agency.

Summary to Questions 19, 20, 21
The existing BDS market is partly driven by fee discounts (i.e., some form of vendor discount) as opposed to subsidies, this despite the fact that several subsidized programs exist in the Kingdom.

2.0 Summary – MSE BDS Usage

Table 42
Gross MSE-BDS Demand Estimate

	% of Sample	MSE in Jordan
Current Users	5.0%	10,000
Past and Consider Using	25.0%	50,000
Never Used	70.0%	140,000

Currently only 5% of the MSEs surveyed use BDS services, though just over 25% have used or have considered using BDS. Of those never having considered using BDS, only 29% have done so because they do not want such services; the balance have not considered us because of ignorance or lack of supply. Based on these findings, an estimated 10,000 MSEs in Jordan currently use BDS. Another 50,000 are also disposed to using BDS (see Table 42).

2.1 The Nature of Demand

The private sector provides, by far, the majority of BDS to Jordanian MSEs. Of the services used, marketing and advertising business development support services are in the most demand (linked to their demand for sales expansion). A smaller number of businesses are interested in a number of technical BDS.

The demand for sales-enhancing BDS (advertising and marketing) is typical of MSEs the world round and often belies the need for strengthening other parts of an enterprise's business.[12] That MSEs also recognize they are less efficient than they would like to be is positive as business development is seldom about managing one area of a business better than another. This demand does not, however, translate into one or two BDS types. Rather, demand is spread across service types, underscoring the finding that demand demonstrates both a lack of understanding of BDS as a service category (at least in the way it is understood by BDS professionals) and inconsistency in terms of motivations and desired outcomes for using BDS. Indeed, the term likely has no significant meaning to MSEs, despite the fact that some 13% of MSEs are currently, or have very recently, contracted at least one BDS, and another 16% have considered using BDS.

[12] Time and time again MSEs opt for sales growth strategies only to encounter a myriad of problems such as under-capacity to manage increased sales, inability to price goods properly, minimal returns on margins, etc..

The reported motivations for and expected outcomes of BDS use were a bit confused. Efficiency improvements was rated highly (58%) as a motivation for considering or using BDS (Question 13). But in Question 15, efficiency dropped to only 28% as an expected outcome of BDS usage. Increasing sales (29%) was a motivation for both questions. This suggests that both are key element of BDS demand, but with sales-enhancing BDS being the more recognized of the two (as demonstrated in Questions 2 and 11) which may account for elevated demand.

User satisfaction is evenly split with roughly half of respondents being extremely to very satisfied and the other half only somewhat satisfied with their BDS experiences (12% are not at all satisfied). This suggests that BDS suppliers are doing a reasonable job meeting market expectations (base on somewhat to extremely satisfied ratings). Interestingly, the private sector, which provides the majority of BDS, receives the same satisfaction rating as governmental sources.[13] Those receiving discounted services, are likely to be more satisfied than those paying full-fees although pricing is a less important element of consumer satisfaction overall than is quality of service.

The good news is that ultimately MSEs believe BDS to be beneficial. Only 12% of those using or consider using BDS, for example, expected no return to BDS, consistent with the Question 7 finding that 80% of respondents believe BDS can benefit their business.

2.2 Segments of the Market

Differentiation based on business type was relatively strong but not as definitive as anticipated. Service and commercial businesses demanded stronger sales and marketing BDS, while production businesses were most interested in strong production/product design and development services.

While a BDS development and support services market segmentation also failed to emerge as strongly as anticipated, it did increase from 10% based on the awareness question to 30% in terms of usage, indicating a significant share of the overall BDS market.

Finally, BDS market needs and expectations were best described – not surprisingly – by the degree to which a business has had contact with BDS. Those MSEs that have used BDS had fewer return expectations, were more difficult to satisfy, and had more consistent objectives for using BDS. Those having considered using BDS also had a more precise view of the services and but more optimistic return expectations. This segmentation typology, unfortunately has limited value as a means to plan BDS interventions, although, it does suggest targeting current BDS users as a first step to penetrate the market.

It is important to note that rural businesses and women-owned business also have some distinct characteristics but not sufficient enough to consider them as market segments on their own.

[13] Because the sample size is relatively small for government sources, this finding can only be considered indicative, not statistically significant.

2.3 Market Penetration

The way to the market is through personal contacts and to a lesser extent through newspapers – both are relatively inexpensive forms of marketing. Personal contact marketing can be done either via networks of existing clients or through other established consumer networks.

2.4 Summary Findings

Six major findings emerge from the assessment of BDS usage:

1) BDS is not recognized as a service category by MSEs, the way it is by BDS professionals;

2) The potential number of MSEs demanding BDS is significantly larger than the number currently using BDS;

3) Increased sales and efficiencies are the key elements driving BDS demand;

4) From the perspective of demand, BDS supply quality is uneven;

5) There are few significant variations among surveyed sub-groups with two exceptions:

    a. Production businesses demand more production-related BDS, commercial businesses more sales, and service businesses a mix of efficiency, productivity and sales; and

    b. Those enterprise having used BDS have a good understanding of BDS and a strong, clear set of usage expectations. As such, BDS users represent MSE BDS in more developed market; and

6) Personal contacts and daily newspapers are likely the most effective means to promote the market for BDS.

Part Five - MSE BDS Demand

This section reports the potential MSE demand for BDS. It gauges overall total annual demand, demand for specific BDS services, and factors related to BDS purchase decision making.

1.0 MSE BDS Demand Summary and Highlight Statistics

We first present a descriptive overview of statistical findings for each question, followed by a short analytical summary.

Question 22 (see Table 43)
How much would you be willing to spend annually on BDS? (choose one).

Thirty-two percent of respondents indicated they were unwilling to pay for BDS, while 43% said they would pay between JD10 and JD100 annually.[14]Another 9% said they would pay between JD101 and $200 and 16% reported they would spend over JD200. This distribution is similar for BDS users and those who have never considered using BDS. Thirty percent of those considering using BDS, however, would pay JD200 annually, or twice the survey average.

Table 43
Question 22 – Summary Statistics

Figures in JD	
Nothing	32.0%
$10-50	26.0%
$51-$100	16.6%
$101-$200	9.4%
$200 +	15.6%
Total	99.6%

Table 44 estimates BDS by willingness-to-pay categories. Using conservative assumptions it shows an annual total MSE – BDS demand of JD13.1 million.

The structure of the MSE BDS market has three clear levels. First, we can assume between at least 15% of MSEs are likely never to purchase BDS. Table 44 uses a more conservative estimate based on non-willingness-to-pay frequencies reported in Question 22, or 32% of the sample.

Second, there is a low-end to the market comprised of about 63% of MSEs which will purchase BDS, or 85,000 companies.[15] This segment has a total demand of JD4.1 million. The high-end of the market numbers 50,000 enterprise (37% of those which would purchase BDS), and converts into total demand of JD9.1 million.

Willingness-to-pay for BDS does not vary much by sample sub-groups. For example, there is no appreciable difference in responses by rural-urban or by business type. Interestingly, however, the percentage of those not willing to pay for BDS dropped to

[14] We estimate that of the 32% reporting unwillingness to pay for BDS, 40% to 50% would likely consider doing so. This is based on responses from Question 23 which reports only 8% are not interested in BDS and Question 7 to which over 80% of respondents acknowledged awareness of BDS benefits.
[15] Calculation for determining size of low end market = (32% willing to pay nothing * 15% no benefit) + (willing to pay JD10 – $50) + (willing to pay JD51 – 100) .

21% and 16% from a survey average of 32% when respondents were asked to list specific BDS services they might purchase.

Also interesting, is that 25% of respondents indicated a willingness to pay JD200 or more for BDS developmental services and 22% said they would pay JD200 or more for BDS support services compared to the survey average of 16%. Table 46 shows total BDS developmental demand at JD4.7 million and BDS sport at JD8.4 million.

Only 23% of the women surveyed, compared to the survey average of 32%, said they would not be willing to pay for BDS. Over 61%, however, said they would be willing to pay between JD10 and JD50 annually. Total demand by women-owned and operated enterprise is JD700,000. Of this, JD304,000 is high-end while low-end demand totals JD401,000.

The total MSE BDS rural enterprise demand is estimated at $JD2.3 million, of which the total high-end demand is JD1.3 million and low-end totals $964,000.

Summary

MSE demand for BDS totals approximately JD13.1 million. The market can be bifurcated based on estimated annual expenditures, with few significant variations by sample sub-groups.

The high-end of the market, or those willing to pay more than $JD100, accounts for 34% of the market willing to pay for BDS, of which over 15% are willing to pay over JD200 annually.

The low-end of the market will part with no more than JD100 annually for BDS services and is a high-volume low service impact market, likely able and willing to pay for modest marketing or organization support.

Table 44
Summary Estimated Annual BDS Demand

	% of Sample	No MSE in Jordan *	Average Expenditure $JD	Demand $JD
Not willing to pay	32.0%	64,000	0	0
Low-end				
$10-50	26.0%	52,000	30	1,560,000
$51-$100	16.6%	33,200	76	2,506,600
Total Low-end	42.6%			4,066,600
$101-$200	9.4%	18,800	151	2,829,400
$200 +	15.6%	31,200	200	6,240,000
Total High-End	25.0%			9,069,000
Total	99.6%	199,200	na	13,136,000

Demand is calculated by multiplying the percentage of demand in each willingness to pay category defined by the survey by the total number of MSEs in Jordan (200,000). This number is then multiplied by the average BDS expenditure in respective willingness to pay categories. Average expenditure is calculated as the average of the two expense ranges for each expense category (e.g., for JD10 to JD50 willingness to pay category the formula = [$JD10+JD50]/2).

Table 45
Question 22 - Highlight Statistics

	Users	Consider	Never Consider	Survey Average
JD200	20.8%	30.2%	11.50%	15.6%
	Support	**Develop**	**Survey Average**	
Nothing	20.6%	16.5%	32.0%	
JD200	22.5%	25.2%	15.6%	
	Women	**Men**	**Survey Average**	
Nothing	22.6%	32.5%	32%	
JD10-50	23.9%	61.3%	16.6%	

Table 46
BDS Demand – BDS Developmental and Support Services

	% Sample	Demand $JD
BDS Developmental	36%	4,728,960
BDS Support	64%	8,407,040

services (e.g., bookkeeping courses). This is likely more true for women, who tend to own or manage the lowest income earning businesses (recall that all women-owned or -operated businesses in the survey earned JD1,000 or less monthly). This market totals $JD4.1 million.

Within the high- and low-end markets there are no significant difference in demand for business development support and development services. It is important to note, however, that 25% of all businesses are interested in BDS development services and are willing to pay over JD200 annually for such services. The absolute size of this market and the high average annual potential expenditure offers the great potential for business and economic development returns on BDS investments.

Table 47
Demand BDS Type

	No MSEs	Average Demand JD	Demand $JD
Women-Owned MSEs			
Low-end	10,542	30	316,258
	1,110	76	83,781
High-end	555	151	83,503
	1,110	200	221,935
Total			705,477
Rural MSEs			
Low end	13,400	30	401,985
	7,444	76	562,035
High end	3,474	151	522,829
	3,970	200	794,045
Total			2,280,893

Question 23 (see Table 48)
What BDS services would you be interested in acquiring? (read list and check all that apply).

Advertising and marketing services are the BDS support service most in demand, at 15% and 10% respectively. They are followed by a host of services with demand ranging between 5% and 7% including: product development, accounting, IT support, and non-IT technical support.

The largest demand for BDS development services was product development and design at 7% and marketing consulting at 4%. This is consistent with Questions 2 and 11 (see Table 47). Awareness of accounting services was significantly different, with only 4% recognition in Question 2 and those “using” or “considering using” BDS at 15% each (Question 23).

Demand for IT support services (6%) and non-IT technical support services (6%) is lower than the actual usage of 11% and 9% respectively (Question 11), but approximately the same for awareness at 6% and 1.0% respectively. Non-IT and IT developmental technical services (2% each), technical support services (IT 6% and non-IT 6%), combine for the highest demand at 16% if technical services is considered a service category.

Significantly, only 8% of respondents reported not wanting BDS. This compares to 64% of respondents who, when first asked about BDS in Question 2, were ignorant of the types of services available.

Table 48 **Question 23 – Summary Statistics and Comparison with Questions 11 and 2**			
	Question 23	**Question 11**	**Question 2**
Accounting services	6.4%	4.8%	3.5%
Bookkeeping services	2.7%	2.4%	0.8%
Secretarial services	2.4%	3.4%	2.0%
Engineering/architecture support services	2.4%	5.2%	1.2%
Advertising support services	15.2%	14.8%	4.3%
Marketing Services	10.1%	11.7%	2.4%
Legal support services	4.2%	4.1%	2.9%
Brokerage services	3.0%	3.1%	1.0%
Information technology (IT) support services	6.2%	10.7%	5.5%
Technical support services (Non IT)	5.8%	9.0%	1.0%
BDS Support	58.4%	69.2%	25.0%
Business management consulting	2.5%	1.4%	1.4%
Business management training	2.2%	1%	0.6%
Product development / design	6.9%	5.9%	1.6%
Production systems design	2.3%	0.0%	1.0%
Marketing consulting	3.7%	4.1%	1.2%
Marketing training	2.9%	2.1%	1.2%
Human resource development consulting	1.1%	0.3%	0.4%
Human resource development training	2.2%	1.7%	0.4%
IT technical consulting	1.8%	2.8%	0.6%
IT training	2.0%	2.8%	0.8%
Financial planning	2.8%	5.2%	0.6%
Financial training	0.7%	0.0%	0.2%
Technical consulting (Non IT)	1.0%	2.1%	0.2%
Technical training (Non IT)	1.3%	1.0%	0.0%
Others	0.2%	1.4%	0.4%
BDS Developmental	33.4%	31.8%	10.4%
I don't want / I am not interested	7.9%	N/A	NA
Don't know of any BDS	NA	NA	64.6%
Total	100.0%	100.0%	100.0%

Demand for BDS by rural and urban respondents did not vary significantly, although rural respondents sought slightly less production design support than average, but more advertising support and marketing training. Rural respondents also demanded slightly less BDS developmental services (27%) compared to the survey average of 33% and 35% for urban enterprise.

Commercial enterprise demanded 50% more marketing services than average (10% to 15%) and production companies want over 100% more than the average production design support (7% to 14%). Both production and service companies, at 36% and 39% respectively, demanded more than the average amount of BDS developmental services (33%).

Summary

As is typical in most BDS surveys, marketing and advertising support are the most demanded services by MSEs. These are followed predictably by a host of technical service demand (IT and non-IT).

The differences between BDS awareness, usage, and demand is important and indicates that the market does not recognize BDS as a service class. As respondents became more familiar with the concept of BDS, however, (i.e., as they progressed through the survey), they showed increased knowledge of and demand for BDS. In Question 2 over 60% have "no knowledge" of BDS and over 70% have "never considered" BDS (Question 8). By Question 23, only 8% of respondents report not wanting BDS. Importantly, as knowledge of BDS increased we saw an emerging demand for more sophisticated developmental services.

Respondents were quite clear about the type of services they want the most: advertising and marketing BDS. All other services listed are also desired, but problematically, show no significant concentration of demand.

This creates two specific BDS program design challenges. First, how can a program effectively and efficiently respond to such diverse demand? Second, while it is true that advertising and marketing service are important MSE BDS needs, BDS experts know most MSE could also stand to benefit from BDS that does more than just increase sales. This is the classic BDS paradox: demand wants one thing and BDS supply know that demand should want other things as well!

Question 24

How important would the following factors be in considering whether to purchase BDS or not? (rate on a scale of 1 to 5 where 1 is of little importance and 5 is very important).

Respondents were not particularly discerning as they rated most variables highly important (4 or 5 on the scale – see Table 49), with a few exceptions (discussed in the sub-group analysis).[16]

[16] Note: in Question 24 only significant variations in sub-group analysis are discussed (e.g., where rural and urban responses to time costs are significantly different). No discussion is provided where there are no significant variations (e.g., rural and urban responses to free services) as these are covered in the summary analysis (i.e., question summary statistics).

Question 49 – Variables Rated
Time Costs: the time cost of managing BDS.
Investment Value: the return on BDS investment.
Location: the location of BDS service delivery.
Delivery: the nature of BDS delivery.
Time to Pay: the time it takes to pay for BDS.
Appropriate Service: the appropriateness of BDS to a businesses needs.
Subsidized: If BDS fees are subsidized
Free Services: if BDS are free
Business Easier: if BDS makes operating a business easier according to an enterprises self defined objectives.

Table 50 summary statistics shows that only time costs and location variables had any response distribution diversity. This suggests one of three conclusions: first, the question format did not facilitate discernment between the relative importance of variables; second, respondents could not discern between the relative importance of variables; and/or third, there were no significant difference between the relative importance of variables, and that all are important.

Table 51 summarizes variable ranking. It does this by summing frequencies of level 4 and 5 rankings for each variable and then ranking them according to highest scores (see Appendix 4 for detailed summary and ranking by percentages of responses).[17]

"Making business easier" was ranked the most important factor in the BDS purchase decision making process, followed by "appropriate service". This was followed by "free services" and "investment value". "Delivery" and "time to pay" tied at fifth place.

Summary
Responses to Question 24 indicates that meeting MSE business objectives and the appropriateness of services as more important than cost (free services) or pricing (subsidized). Indeed, "free services" was something of a throw away question (i.e., who would rate this low). Its rank position, however, is significant particularly as it was rated behind objective and quality issues. Thus, "investment value", ranked fourth, reinforces demand for quality, as does "delivery". Interestingly, "time to pay" for BDS is ahead of "subsidies" indicating perhaps a willingness to amortize BDS services (should quality warrant such an investment).

Assessment of Rankings by Sub-Groups

BDS Usage
BDS users are the most discerning among the sub-groups, with the possible exception of rural enterprises (i.e., not all ratings are 4 and 5). BDS users are more time sensitive and investment value conscious than those who have only considered using BDS, and much more so than those who have never considered BDS. Users are also keenly aware of the importance of service delivery and appropriateness, as the sum of 4 and 5 ratings (as a percentage) is 92% and 98% respectively compared to 74% and 86% for those who had never considered BDS).

[17] Responses to each rating level were tabulated as a percentage of responses for each variable (e.g., number of men selecting rating level 2 for Time Cost divided by the sum total of men respondents. This was done for each variable for each sub-group (gender, area, usage, BDS support and development, business type). Next percentage responses to levels 4 and 5 were totaled and variables ranked for each sub-group.

Table 50
Question 24 - Summary Statistics

Rank	Time Costs		Investment Value		Location		Delivery of Service		Time to Pay		Appropriate Service		Subsidized Fee	Free Service		Busines Easier	
	N	%	N	%	N	%	N	%	N	%	N	%	N	N	%		%
1	46	11.4	16	4.0	47	12.0	23	5.7	26	6.4	16	4.0	50	33	8.1	11	2.7
2	24	5.9	14	3.5	26	6.4	13	3.2	15	3.7	8	2.0	11	9	2.2	3	0.7
3	62	15.3	44	11.0	80	20.0	52	13.0	38	9.4	26	6.4	39	15	3.7	9	2.2
4	39	9.6	57	14.0	65	16.0	74	18.0	79	20.0	58	14.0	50	20	4.9	43	11.0
5	234	57.8	274	68.0	187	46.0	243	60.0	246	61.0	297	73.0	255	328	81.0	339	84.0
6	405	100	405	100	405	100	405	100	404	100	405	100	405	405	100	405	100

Area

Rural businesses demonstrate a relatively high degree of discernment between variables. They are much less time sensitive than their urban counterparts and definitively not location sensitive. Moreover, they place less importance on value for investment. Less important, though not insignificant, are the rankings for delivery of services and time to pay for services. Rural businesses are much more price sensitive: almost 91% rated free services as a 5, compared to 80% for urban businesses.

Business Type

There were no significant variations between different business types.

Business Ownership-Manager Gender

There was little response variation by gender. Women rated the importance of free and subsidized services lower than men, a finding consistent with women's somewhat more open and sophisticated view of BDS. This is supported by a high overall ranking on Investment Value.

BDS Support and Development Services

Table 51
Question 24 - Highlights of Summary Statistics

Rank order of importance		Sample Average	Business Type	Area	Gender	User	Support/ Development	Average Score
1	**Business Easier**	1	1	1	1	1	1	1
2	**Appropriate Service**	2	2	3	2	2	2	2.2
3	**Free Service**	7	3	2	3	4	3	3
4	**Investment Value**	4	4	4	4	6	4	4.4
5	**Delivery**	6	5	5	6	5	5	5.2
5	**Time to Pay**	5	6	6	5	3	6	5.2
6	**Subsidized**	3	7	7	7	7	7	6
7	**Time Costs**	8	8	8	8	8	8	7
8	**Location**	9	9	9	9	9	9	8

There were no significant ranking variations for this sub-group.

Responses to Question 24 are unequivocal. If BDS are of good quality, and value for investment can be demonstrated, enterprises will consider engaging and paying for services. There are no significant differences by sub-groups, though it is likely that women are more amenable to BDS and rural enterprise slightly less so.

2.0 Summary of Demand

MSE markets for BDS can be segmented into three price categories. The first is the high-end of the market with approximately 20% of MSEs willing to pay JD100 or more annually for BDS. Second is the low-end of the market with about 50% of MSEs being willing to pay less than JD100 a year for BDS. Finally, 15% of MSEs will likely never pay for BDS.

Demand for services is also positively related to exposure to BDS concepts. But MSEs are unequivocal: BDS suppliers must prove their services will meet client objectives and be of high quality. The challenge for supply is to prove value for investment. Thus, pricing is less important, particularly if MSEs could amortize payments.

As knowledge of BDS increased, so too did respondents' understanding of and interest in BDS. By Question 23 only 8% of respondents indicated they would not want BDS services. Moreover, services demanded were much more varied and slightly more concentrated. Importantly, increased knowledge also leads to greater interest in BDS development services.

2.1 Summary Demand Points

1) MSE demand for and understanding of BDS increases with exposure to BDS concepts and objectives;
2) Demand can be segmented into three price categories: high-end (JD100 or more annually); low-end (JD100 or less annually); and, those never likely to use BDS;
3) Meeting enterprise objectives and quality services are ranked more importantly than pricing issues;
4) Advertising and marketing services are in most demand;
5) BDS development services are in demand but require that MSE owners have greater exposure to BDS;
6) Current BDS users have a greater propensity to be in the high-end of the BDS market and to pay more for BDS;
7) Women-owned and -operated businesses are likely more open to BDS but less able to pay for them; and
8) Rural enterprise are more price conscious than urban counterparts.

2.2 Conclusions

BDS suppliers must respond to the business objectives of enterprises. They must also demonstrates the benefits of BDS to achieving these objectives, proving value for investment. Otherwise, MSE BDS demand will continue to be anemic and focus on low economic impact BDS support services: not the kinds of impacts envisioned by BDS advocates.

Finally, while the potential MSE BDS market is large, no single MSE can spend a large absolute amount on BDS. Thus, the market can be characterized as one of large volumes but small contract/fee size. This has significant implications for the structure of the sector and any development intervention. Demand for simple BDS support services such as secretarial, technical, advertising and marketing will best be supported by the private sector (e.g., bookkeeping services, independent accountants etc.) while, BDS developmental services may require some form of sector subsidies (e.g., vouchers systems, support for BDS supplier to innovate efficient BDS Development services, etc.).

Finally, it may be worthwhile to consider the special needs of women-owned and rural business.

Part Six - Final Conclusions

1.0 Summary Conclusions and Recommendations

The annual estimated potential MSE market for BDS in Jordan is JD13 million, of which only about 5% is currently being served. The absolute amount any one MSE is willing to spend on BDS, however, is not large, nor is the range of BDS services demanded particularly wide.

1.1 The Nature of Awareness

BDS as a service category is not widely recognized by MSEs. Rather MSEs are aware of individual business development services. Of the services that they are aware of or use, the majority are BDS support services as opposed to more sophisticated BDS developmental services. This suggests that BDS is currently viewed as or used more as a operational as opposed to a strategic business decision. As noted during the delivery of the questionnaire, as respondents' knowledge of what constitutes BDS increases, so too does their understanding of the difference between support and development BDS.

Overall, and despite a distinct lack of awareness about BDS, respondents believe that it could be beneficial to their business. Respondents also believe that BDS is relatively affordable, though their instincts tell them it is not as affordable as it might be for their kind and size of business.

1.2 Current BDS Usage

MSEs use more advertising and marketing- or sales-related BDS than any other type of BDS. Not surprisingly, increased sales are a key element defining BDS demand. At the same time, MSEs also seek BDS efficiency-increasing services. Nevertheless, these clear objectives do not translate into a set of key service demands and, as with awareness, only more so, services related to increased sales are the only ones noted by a good number of respondents as being important.

According to respondents, BDS Suppliers are doing a reasonable job of meeting quality expectations. Interestingly, the private sector, which provides the majority of BDS, is rated about equal to governmental sources in terms of quality services. Respondents also clearly noted that pricing is important but less an element of consumer satisfaction than quality of service.

1.3 Size and Nature of Future MSE – BDS Demand

The survey estimates a total annual MSE demand for BDS of JD13.1 million. The high end of this market totals an estimated JD9 million and is amenable to BDS developmental services. The balance of demand is considered low-end and totals JD4 million. Given the size of annual estimated expenditures, this market is likely more interested in BDS support services, plus perhaps modest developmental services such as seminars and do-it-yourself BDS (e.g., how to manuals, videos etc.).

Willingness to pay for BDS does not vary much by sample sub-groups although there is an appreciable concentration of MSEs willing to purchase BDS developmental services, particularly among current and past BDS users. Women are more willing, but less able, to pay for BDS, and rural businesses are more interested in free or subsidized services than any other group. Both of these groups have relative small overall annual demand.

The survey found that the specific types of BDS currently being used is consistent with future demand estimates. The one significant difference is that the number of respondents unaware of BDS at the beginning of the survey dropped from over 60% to zero: thus we feel that demand is positively correlated with awareness (as awareness increases so will demand). Also important is the fact that the number of those “not willing to use BDS” moved from the 15% to 30% to 7% in Question 23, as the survey progressed.

Consistent with current usage, there is a small concentration of demand for sales expansion-related BDS (marketing and advertising) and a smaller demand for technical services related to efficiency and productivity development. BDS development services increased as a group from 10% in Question 11 to over 40% in Question 23, again, suggesting a positive correlation between knowledge of BDS and awareness of the strategic business development outcomes BDS.

As with current usage, no clear market segments emerged for BDS future demand. Rather, the clearest distinction was drawn along lines of usage. For example, business type distinctions were clear and consistent but not necessarily significant, with service and commercial businesses demanding sales and marketing BDS and production businesses demanding more production design services. Finally, rural businesses and women-owned business also showed some distinct demand difference, but again, not sufficient enough to consider them to be market segments in and of themselves.

1.4 Market Segmentation

Unfortunately, there are few significant variations related to BDS usage among the different survey sub-groups. Those currently using BDS and those businesses considering using BDS tend to have more clarity and a more precise assessment of BDS. These segments, however, are of limited use to planning a long-term BDS sector support program, although marketing (i.e., through existing sales networks) to current BDS users may provide a good first step to market development or penetration.

Coalescence of interests by business type did not emerge as strongly as expected. Commercial and service businesses demonstrated modestly greater than survey average interest in sales-enhancing BDS. Production businesses, by contrast, wanted more production-related assistance. Given the modest absolute size of demand and the even smaller absolute size of demand within business type market segments, highly specialized interventions focusing on a small number of specific BDS would be challenging and likely to be attractive to a limited number of businesses.

Both women-owned/operated and rural businesses also saw some variation in BDS usage and demand. Women are more open to BDS usage as they see the investment value of such services. Rural businesses tended to have the most inconsistent view of BDS, especially in terms of motivation for use and expected outcomes. They are the least unfamiliar with and likely more resistant to BDS usage. Differences are not sufficiently significant to justify specific interventions, but do warrant special consideration within a more general intervention program.

1.5 Market Penetration

The most effective means to penetrating the MSE BDS market appears to be through personal contacts. Tapping such networks is difficult to do quickly and requires a more organic approach to sector growth. BDS programs supporting supplier-developed marketing programs is a potential avenue for tapping existing client networks. Other approaches may be to work with established consumer or business association networks, or finally, through BDS suppliers (e.g., office supply companies, computer suppliers, etc.).

To a lesser extent, newspapers will be useful medium for promoting market growth. Bulk discounts for BDS spot purchases in daily newspapers could be an effective marketing support program. Internet applications are limited and other forms of electronic media are likely not affordable.

2.0 Final Conclusions

The MSE market for BDS may best be defined by a lack of knowledge which impedes understanding of BDS as a category of services and as means to business development. Rather, individual services are recognized, particularly BDS support services.

This translates into a market ill-defined by segments but with strongly defined preferences at the individual service level. Fortunately, MSEs see BDS positively. The principle barrier to promoting better and more use of BDS is perceptual as opposed to factual or financial.

Nonetheless, the nature of demand for BDS poses a number of challenges for designing BDS sector development interventions.

First the basics. MSEs must be convinced of the value for their BDS investment. This implies an increase in BDS service quality which is currently viewed as mostly acceptable. It also likely involves serving the immediate interests for increased sales and efficiency-improving BDS. This is despite the fact that sales-related BDS are rarely sufficient for improving MSE business performance (particularly from an economic development perspective) as other aspects of the business tend to require changes as well.

This relates to the desirability to see increased demand for BDS development services, or sources which help businesses to become larger or more productive – such services which have demonstratively more and broader economic impacts and, as such are particularly attractive (and justifiable) targets for BDS sector development interventions.[18]

BDS developmental services may be considered a latent part of demand, as MSEs are not immediately aware of them. As knowledge increases, however, demand for developmental services should increase, as will willingness to pay for them.

[18] Broader economic impacts include such things as employment creation a key goal of AMIR.

Developmental services require greater financial commitments, however, and may require some form of subsidized support (e.g., vouchers, BDS supplier quality development programs, BDS supplier MSE appropriate services development, etc.). Microfinance or other financial institutions may also be motivated to offer BDS loan packages to “lever” annual estimated expenditures enabling enterprises to commit to larger absolute contract amounts.

Lacking strong segmentation for either developmental or support BDS, however, is a most pressing challenge. Slight as the variations are, we believe that the BDS market can be segmented both by business type and by BDS function (i.e., developmental and support BDS). Specifically, production businesses require more technical service and product design support (not specifically identified by the survey. Some consideration should be given to the special needs of women-owned businesses (particularly lack of funds) and rural business (forms of motivation to use BDS).

3.0 Recommendations

Given these findings we make the following recommendations:

1) Stimulate the supply of BDS;
2) Explore the value of creating a BDS MSE brand or service category;
3) Target BDS service expansion to current BDS users;
4) Stimulate BDS cross-selling through promotion and sales of popular BDS services such as advertising;
5) Assist BDS suppliers to develop marketing strategies that take advantage of personal contact networks;
6) Support BDS quality service programs, starting with services most likely to be used;
7) Develop BDS loan products at MFIs and commercial banks; and
8) Undertake a deeper assessment of the MSE BDS demand survey to better understand specific needs of women-owned and rural businesses. In the meantime, tailor sub-program interventions to suit their specific interests.

Specific program recommendations based on the findings of this report include:

- National Marketing Seminars for MSEs;
- A National toll free number for MSEs to access BDS Supplier contact information;
- BDS Supplier capacity development team.

Details for these programs can be found in the Business Development Services Proposed Programs document.

List of References

Atlas Investment Group (2001), Jordan Country Report (contact Dima Jardanesh at jdardanesh@atlasinvest.net

de Sousa-Shields, Research, Evaluation and Proposed Design for a Microbusinesses Multiplier Deliverable for SMI Component, Task No. 3.1.14, for AMIR.

Jordan Human Development Report, (2000) Ministry of Planning Hashemite Kingdom of Jordan, UNDP, Amman.

Perrett, Graham, (2001) Microfinance/microenterprise Strategic Assessment, for AMIR.

Appendix One – Scope of Work

Annex D
Scope of Work: Specific Tasks of the Consultant(s)

Activity	334.1 BDS Providers / Facilitators Survey
SOW Title:	MSE Survey Validation and Analysis (Phase II)
Modification	Original
SOW Date:	Thursday, July 11, 2002
SOW	Final
Total LOE:	25
Task and Consultant	

LOE/F/MSE Validation and Analysis (Phase II)
MD Marc De Sousa-Shields

I. Specific Challenges Addressed by this Consultancy

The AMIR (Access to Microfinance and Improved Implementation of Policy Reform) Program commenced operations in February 1998. One of its key goals is the establishment of a sustainable microfinance industry. Since inception, the AMIR Program has helped establish and support at least three MFIs, and together with the U.S. Agency for International Development (USAID), is working with a fourth MFI. There are considerable differences between these four MFIs, and the other microfinance providers, of which the most important are the commitment to attaining operational sustainability, and to operate in accordance with the "best practices" of microfinance.

In 2002, the second phase of the AMIR Program, AMIR (Achievement of Market-Friendly Initiatives and Results) was launched. The goal of AMIR is "To promote economic growth and prosperity for all Jordanians by developing a more market-friendly environment for broad-based economic opportunity and business expansion." This four component initiative has devoted one component, Micro-Enterprise Initiatives, to the development of micro-entrepreneurs in Jordan with specific focus on commercially viable financing and non-financial service opportunities available for micro-entrepreneurs.

In addition to developing micro credit sector, the MEI component seeks to increase income and employment through the creation and growth of MSEs in Jordan by encouraging greater use of improved and expanded business development services. AMIR will accomplish this by 1) increasing the efficiency and effectiveness of the business development services (BDS) market – providers and facilitators – to identify and respond to MSE service demands and 2) stimulating MSE demand for BDS services. It is important to note that the approach encompasses supply and demand sides of BDS.

BDS is the provision of non-financial service to business by business. Often these services are sold through NGOs on a partial cost recovery basis and by private BDS providers on a for-profit basis, whether paid by the recipient or by a third party or both. If AMIR is to provide effective assistance to BDS providers, it is incumbent on AMIR to understand the BDS sector in all its myriad forms.

On the demand side, if the AMIR MEI component is to encourage increased demand for BDS by MSEs, then it is necessary to understand the market for BDS, both actual and potential, among MSEs. There are thousands of MSEs in Jordan in all facets of the economy. Before targeting interventions designed to encourage greater use of business services by MSEs, it is critical to understand the market opportunities and special challenges represented by the MSE sector for the BDS provider. This will include awareness of BDS, understanding and awareness of what BDS is, types of services that might constitute BDS, those services that are procured and those that are not, and why, etc.

The basis for this understanding is provided by a questionnaire survey undertaken in the first phase of this consultancy. During the first phase, a national survey of over 400 MSEs were surveyed to better understand their awareness of BDS and future demand for BDS.

The challenge of this consultancy is to deepen and refine understandings from the survey and validate conclusions and recommendations from the first phase of the consultancy leading to recommendations for AMIR's BDS interventions.

II. Objective

The objective of this assignment is to use micro, small, and medium sized enterprise focus groups to:

- To validate or confirm the recommendations and conclusions of the first phase MSE-BDS survey particularly related to BDS market segmentation and MSMEs willingness to pay for BDS;
- To deepen understanding of the nature of MSE demand for the types preferred BDS services identified in the survey;
- To deepen understanding of access to various types of BDS services (e.g., type of delivery, costs, etc.);
- To deepen our understanding of best delivery agents (e.g., private sector, NGOs, etc.);
- To assess the best means of marketing BDS to MSEs;
- To finalize recommendations on which BDS and BDS suppliers to focus upon and develop.

The expected result is a final report based on Phase I MSE BDS survey results and Phase II focus groups (this consultancy) recommending 2-4 business services in which AMIR’s assistance can reasonably expect to have a positive impact for MSEs and BDS providers.

The Consultant will cooperate and coordinate closely with William A. Kedrock and Andrew Baird, who are working on the BDS Provider/Facilitator survey in order to ensure good understanding of the MSEs demand for BDS, which is in turn the key to develop new and/or improve on existing BDS services that the address the problems faced by MSMEs.

III. Specific Tasks of the Consultant(s)

Under this Scope of Work, the Consultant(s) shall perform, but not be limited to, the tasks specified under the following categories:

A. Background Reading Related to Understanding the Work and Its

Consultant(s) shall read, but is/are not limited to, the following materials related to fully understanding the work specified under this consultancy:

- Marc De Sousa-Shields
  - MSE Survey Results
  - BDS Survey Results

B. Background Interviews Related to Understanding the Work and Its

The Consultant(s) shall interview, but is/are not limited to, the following individuals or groups of individuals in order to fully understand the work specified under this consultancy:

- Marc De Sousa-Shields
  1. Terri Kristalsky (AMIR Program)
  2. CDG (Community Development Group)
  3. MSMEs

C. Tasks Related to Achieving the Consultancy's Objectives.

The Consultant(s) shall use his/her education, considerable experience, and additional understanding gleaned from the tasks specified in A. and B. above

- Marc De Sousa-Shields

  MSE Survey Validation and Analysis

Using focus groups, the consultancy will assess specific consumer segments identified in the MSEs survey (Phase I of this consultancy) to determine if recommended BDS are valid and to gain a deeper understanding of the nature of BDS demand (e.g., timing of service, geographic delivery, suitable delivery agents etc.). The focus group will also determine the relevance of BDS across sub segments of the market.

Focus groups will be conducted by CDG and overseen by the consultant. Participants will include MSE consumer segments identified for the survey and will be held in several geographically defined markets (e.g., large urban, small urban, peri-urban etc.).

The consultancy has two distinct parts:

i) Phase 1 – Planning and Development (out of country)
Prior to coming to Jordan, the subcontractor shall design an action plan for the project and a detailed workplan including schedule noting deadlines and deliverables.

In coordination with the AMIR staff the consultant will design a series of focus groups. This will include:

- Develop a focus group management plan;
- Develop a set of questions for the focus groups;
- Establish focus group participant profiles and oversee selection process;

- Determine locations of focus groups;
- Monitor focus groups.

CDG under the direction of the consultant with the support of AMIR will:

- Recruit focus group participants;
- Organize appropriate interview space;
- Oversee focus group logistics (e.g., ensure interview rooms are organized, participants are confirmed, etc.).
- Host focus groups.

ii) Phase 2 – Focus Groups Reporting and Recommendations
Together with the BDS Supply side survey, in collaboration with the BDS consultants William Kedrock and Andrew Baird, the consultant will help to plan a series of meetings to ensure proper integration of results (including at least one conference call prior to in-country work and meetings in Jordan).

The objective of the meetings will be to cross focus group findings and conclusions with those from the MSE BDS survey and the BDS Supplier survey to design AMIR interventions in the selected services.

The consultant will also plan and co-conduct a workshop with the BDS consultant Andrew Baird, to BDS Providers/Facilitators to present the outcomes of the MSE survey of Phase I.

There will be an introduction to Grant opportunities in AMIR Program, presented by Rebecca Sherwood, the Deputy Program Administrator and Grants Manager.

Capital Market

Preliminary Investigation into the possibility of venture capital funding opportunities for MSEs (in coordination with PSPI).

IV. Deliverables

The consultant will prepare a report discussing the substantive findings of both Phase I and II and making final recommendations for focus BDS. The report shall include:

- Focus groups findings;
- Based on the analysis and in close consultation with the MEI component team members and BDS consultants, identify at least 2-4 appropriate MEI BDS interventions.
- Draft a specific implementation plan for selected interventions. This plan should include a discussion of purpose and objectives, rationale, expected outcomes, target group, milestones as relevant, costs.

V. Time frame for the Consultancy.

Unless otherwise specified, the following time frame will govern the timing for the completion of this consultancy:

	Start	LOE	To Post	From Post	Field Work	3rd Country	U.S.A.
Marc De Sousa-Shields	15-Jul-2002	25	1 days	1 days	10 days	13 days	0 days

VI. LOE for the Consultancy.

This consultancy will require the effort of the following consultants:

Consultant Name	Travel	Field	U.S.	3rd	Total
Marc De Sousa-Shields	2	10	0	13	25
Subtotal	2	10	0	13	25

VII. Consultancy Qualifications

The Consultant(s) shall have the following minimum requirements:

- **Marc De Sousa-Shields**

Phase 1

1. *Educational Qualifications*
   - Masters Arts, Regional Economics, University of Toronto, Canada, 1989
   - Bachelor Arts, Regional
   - Economics, University of British Columbia, Canada, 1987

2. *Work Experience Qualifications*
   - Consulting experience in community enterprise-led economic Development programs: financing, refinancing, and alternative financing for small/micro enterprise, institution building, small/micro enterprise development.
   - Managing the establishment of business Centres.

Appendix Two – Survey Methodology

1.0 Introduction

Initial planning and development of the Micro and Small Business BDS Demand Survey took place out of country. Work included the basic design and development of the survey sample frame, drafting the survey questionnaire, and mission preparation (e.g., background reading and meeting coordination: see Appendix Two for schedule). Both the sample frame and questionnaire were discussed and drafted in coordination with AMIR staff, the Community Economic Development Group, and William Kedrock and Andrew Baird at Chemonics (consultants for the BDS Supply Side Survey). Activities for this work took place between May 1 and May 25, 2002 out of country.

1.1 Sample Frame

It was decided during preliminary planning and development that the sample would be national and representative. Also outlined were issues to be discussed in-country with regards to the sampling strategy. These issues included the sectoral, gender, and business size distribution of the sample. Technical issues related to timing and level of effort related to the survey were also discussed.

1.2 Questionnaire

The objectives of the questionnaire are two. First, it is to measure the awareness among micro and small business owners of business development services. Second, it is to estimate the current and future demand – both size and nature – of business development services among the same population.

A first draft of the survey questionnaire was produced and critiqued by AMIR and CDG. Input focused on data requirements related to meeting project objectives and the design of specific questions. Several definitional and conceptual questions were are also addressed and or table for in-country discussion.

2.0 Development and Finalization of Survey Sample Frame and Questionnaire

The purpose of this stage of work was to finalize the Sample Frame and Survey Questionnaire. Activities for this work took place between May 27 and June 4, 2002 in Jordan.

2.1 Sample Frame

The sample frame objective was to provide for a representative sample of micro and small business in Jordan (i.e., a national survey). The sample also stratifies the population to include a representativeness at the rural and urban level. The sample also seeks to ensure rough equivalency of sector distribution of businesses (commercial/ services and production or industrial sector: see below for more information).

2.2 Sampling Design

The sample of the survey representative national survey. The population of both formal and informal sector MSEs in Jordan is estimated variously at between 150,000 and 220,000. To ensure a representative sample, the larger population size selected to calculate a sample size of approximately 400 businesses.

Table A2 - 1
Estimated Employment by Firm Size[19]

	Number of Firms	Average Number Employed	Number of Employees	Percentage of Labor Force
Government	n/a	n/a	518,000	37.0%
Private Sector				
Large Firms	150	300	45,000	3.2%
Small & Medium Firms	3300	57	188,100	13.4%
Micro Enterprise	217,000	3	651,000	46.5%
Total	220,450	n/a	1,398,800	100.0%

Source: Research, Evaluation and Proposed Design for a Microbusinesses Multiplier Deliverable for SMI Component, Task No. 3.1.14. Sources for information found in table are derived from three sources. Total employment and government employment statistics are estimated from the Jordan Human Development Report (2000) and Atlas Investment Group (2001): microenterprise estimates are from Perrett (2001).

The sample also sought to achieve a balance of commercial and industrial enterprises equivalent to the national distribution, though does not seek representativity based this typology. The sample does not seek to be sector representative; rather will correct for any excessive bias towards one sector or another.[20] To do this, survey supervisors will check daily to ensure random sampling dose not over-represent either sector 10% plus or minus the national estimated average distribution of 80% commercial/service and 20% production/industrial.

[19] Very few systematic sources of data on corporate activity in Jordan exist. A significant number of business are unregistered or informal although business are required to register at both the national level and locally, at either a Chamber of Commerce (service businesses) or Chambers of Industry (manufacturers). Registration, however, does not require disclosure of business size either by income or by number of employees.

[20] Sector representation should be achieved through random sampling techniques. Given the objectives of the study, anticipated results, and time and resource considerations, sector representation, while important, was less so than other considerations.

Table A2-2
MSE BDS Demand Survey Sample Distribution and Stratification

	% of Business in Jordan [1]	**Sample Status**	**No. Samples** (N = 400)	**Distribution of Samples**	**Urban** (70% of sample) [2]	**Rural** (30% of sample)	**Commercial** (80% of sample) [3]	**Production** (20% of sample)
Region								
North								
Irbid	8.9	Selected	36	36	25	11	28	7.12
Mafraq	2.7	Selected	11	15	11	5	12	3
Jerash	0.8	Selected	3	4	3	1	3	0.8
Ramtha	1.3	Not selected	5					
Total	13.7		55	55				
Central								
Amman	51.2	Selected	207	207	145	62	166	41.4
Zarqa	13.7	Selected	55	55	38	16	44	10.96
Ruseifeh	5.9	Selected	24	26	18	8	21	5.2
Madaba	3	Selected	12	14	10	4	11	2.8
Salt	2.1	Selected	8	9	6	3	7	1.8
South Shoeth	1.2	Not selected	5					
Total	77.1		311	311	218	93	249	62.16
South								
Aqaba	5.5	Selected	22	22	15	7	18	4.4
Tafileh	1	Selected	4	5	4	2	4	1
Maan	1	Selected	4	4	3	1	3	0.8
Karak	0.9	Selected	4	4	3	1	3	0.72
South Mazar	0.3	Not selected	1					
Total	8.7		35	35	24	10	28	6.92
Grand Total [4]	99.5		400	400	280	120	320	80

[1] Source: Federation of Jordan Chambers of Commerce
[2] Source: AMIR
[3] Source: AMIR
[4] Does not sum to zero due to rounding

Consistent with national surveys, the country was divided into three major geographic sub-divisions or regions: North, Central, South (see Table 2). The proportional distribution of samples drawn for each region was estimated using statistics from local Chambers of Commerce.

The distribution of samples drawn within each region, were determined by a two-fold process. First, all governorates with major urban centers are to be surveyed. The balance of samples required for each region were to be drawn a randomly selected governorates determined by lottery (see Sample Status, Table A2-2).

Within each governorate samples were drawn from population centers designated as urban, or greater than 5,000 inhabitants, and rural, less than 5,000 inhabitants. In each governorate, the largest urban center was selected for urban samples and rural centers were randomly selected by the survey team in the field.

Within urban centers, the survey team identified enterprise clusters, designating them as either heterogeneous or homogeneous. Heterogeneous clusters are characterized by a diverse range of business types. Homogeneous clusters are characterized by a large concentration of similar businesses (e.g., mechanics, carpentry shops etc.). Each cluster was coded. Heterogeneous clusters were selected randomly by the survey team and surveyed sequentially until the urban areas sample quota was fulfilled.

Actual enterprises selected within clusters were also selected in sequential fashion with enumerators going door-to-door until sample quota was fulfilled.

Appendix Three – Survey Questionnaire

1.0 Survey Questionnaire

As noted the questionnaire had two main purposes. The first was to gauge MSE awareness of BDS. The second, was to estimate the size and nature of MSE for BDS. The survey anticipated three different BDS consumer segments: those businesses who are consuming or have consumed BDS; those businesses that have considered consuming BDS; and those businesses which have not consumed BDS. The questionnaire is divided into four sections: screening, awareness, demand, and summary. Included in this section is also a note on questionnaire data analysis.

1.1 Screening

Screening questions are designed to ensure that businesses interviewed are MSEs and that the respondent is the financial decision-maker of the enterprise. If both conditions are applicable the business is eligible to enter the survey.

1.2 BDS Awareness

Each consumer segment were asked a series of questions designed to solicit general impressions, understanding, and stereotypes of BDS (see Final Questionnaire below part 3).

Awareness questions are used to provide an understanding the markets image of BDS as a “brand”. The questions are designed to draw from respondents broad images/ definitions of BDS and the nature of BDS supply (i.e., types of services available and from whom). This kind of information will help BDS suppliers market products and services defining demand stereotypes and images of BDS.

Awareness questions require that BDS is not defined for respondent as definition will color or bias opinions. This made the questionnaire introduction challenging: how to introduce a survey on BDS without defining BDS (see Pilot Testing, section 2.0 below). Once past Awareness questions, enumerators were free to clarify the concept of BDS to ensure respondents could provide accurate answers to demand questions.

1.3 BDS Demand

The questionnaire seeks to define the nature and estimate the size of demand amongst MSEs for BDS.

A series of questions illicit information on the motivations for a MSE to employ BDS (both at the strategic and operational business development level). Other questions estimate past use and or considered use of BDS in an effort to understand what BDS services have been used. These questions include information on the types, volumes (estimated annual budget for BDS), and levels of BDS used. Questions also include information on where MSEs have sourced BDS. Finally, there are a series of similar future BDS demand questions.

1.4 Summary

A number of market questions designed to provide market segmentation information are also asked. These are included in both the screening and summary section of the questionnaire. They include business size (number employees and monthly revenue), gender ownership, business age questions.

2.0 Questionnaire Testing, Translation, and Enumerator Training

2.1 Training

The questionnaire went through four tested five times. The first test was made by the CDG and AMIR team members after it was first drafted. The second was a pre-pilot tested by a non-project team members from AMIR microfinance component. Third, the questionnaire was tested by enumerators during a survey training session. Fourth, enumerators piloted to twenty six surveys MSEs in Amman. Finally, four more pilots surveys were conducted based on minimal changes made after the first pilot test. Each test require questionnaire modifications. The first two phases changes were managed by Marc de Sousa-Shields. In the final three tests, changes were managed by CDG.

2.2 Translation

CDG made a translation of the questionnaire was made after the second test. Further changes to the draft were made in Arabic then translated to English. AMIR provided reviewed the final translations.

2.3 Enumerator Training

Enumerators were trained by CDG. The enumerator team has been used by CDG on several other assignments and thus, training was limited primarily to ensuring clarity of questions and data requirements of questions. Given the challenge of not defining BDS in advance of the Awareness questions (see above). Training also concentrated on survey introduction. There were two training sessions: one before the pilot test and another afterwards.

3.0 Final Questionnaire (provided in the original format by CDG)

Business Development Services Survey and its Need in Business Market

CDG is a management consulting firm that is undertaking a national survey with small enterprises about their use of BDS. Probably you are not familiar with "Business Development Services." BDS are those services that business owners need to help in the management of their companies. BDS can be refer to two types of services: one encompasses the services that support daily ongoing activities in your businesses, the second type refers to services that help companies enhance their productivity and business planning and set their strategies.

Our survey consists of two parts. The first one asks about your opinion of business development services. What we are trying to see is how well BDS are marketed. There are no right or wrong answers in this part. In fact, everyone has a different idea about what BDS are. So, what is important to us to know is your opinion. In the second part of the survey, we will ask more specific questions about the kinds of services you may be interested in or have used in your business. It is needless to say that all data we get are highly confidential and will be used for statistical purposes only.

In case respondent wants more of a definition, please say that it will be defined better later. At first we just want to get opinions as is with no outside influence. We would like first to ask some questions to determine applicability of your business to our sample.

Number of Questionnaire:________
Name of Interviewer: _________________________ Date: ___ /___/ 2002
Name of Business:___________________________ Telephone: ___________
Address:___________________________________

A. Are you the financial decision maker for this business?

(1) Yes (2) No

If NO, Stop the interview.

B. **How many people work in this business including yourself, employees, trainees, non-paid workers, and family members?:**

1) 1 to 10 Employees 2) 11 to 25 Employees

3) more than 25 ------------- **STOP Thank you but we are interviewing smaller businesses**

Governorate:

1- Amman	2- Zarqa	3- Madaba	4- Balqa
5- Jerash	6- Mafraq	7- Irbid	8- Tafileh
9- Maan	10- Aqaba		

C. Type of Area:

1) Urban 2) Rural (less than 5000 inhabitants)

E. City/Village: ________________________ Area: ______________________

F. What is your main business activity:

1) Commercial (sell finished goods)
Examples: Wholesale Trade, Retail Trade
2) Services
Examples: Hairdressers, Restaurants, General Services, Lawyers, Doctors, Labs
3) Production (assemble or produce new finished product)

Examples: Metal Workshops, Clothes Manufacturing, Handicraft, Wood-Furniture Manufacturing, Food Processing

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BDS Awareness Section

For Enumerator: These Questions have no right or wrong, please just give answers off the top of your head….

1. In your opinion, what is the effect of BDS on projects and businesses in general?

    1. BDS helps businesses to succeed
    2. BDS helps businesses to solve specific problems
    3. BDS supports some specific business activities
    4. I do not know
    5. BDS has no influence

2. What kinds of BDS do you think are available? (do not read list but, check all BDS mentioned)

Accounting services
Bookkeeping services
Secretarial services
Engineering/architecture support services
Advertising support services
Marketing Services (e.g., distributor)
Legal support services (e.g., legal forms)

Brokerage services
Information technology (IT) support services
Technical support services (Non IT)
Business management consulting
Business management training
Product development / design
Production systems design
Marketing consulting (e.g., planning)
Marketing training
Human resource development consulting
Human resource development training
IT technical consulting
IT training
Financial planning
Financial training
Technical consulting (Non IT)
Technical training (Non IT)
Others
I do not know

3. Which of the following provide BDS? (check yes or no)

1.	Government	1) Yes	2) No
2.	Private-sector companies	1) Yes	2) No
3.	Non-governmental organizations/donor agencies	1) Yes	2) No
4.	Business associations/Chambers of Commerce/Industry	1) Yes	2) No

4. What is your general opinion of BDS? (choose one only)

    1. Very useful for a business of my type
    2. May be useful for a business of my type
    3. Not useful for a business of my type

5. In your opinion, who uses BDS the most? (choose One)

    1. Businesses my size
    2. Bigger businesses

6. Which is most true for your business? (choose one only)

    1. BDS for my business needs are generally financially affordable
    2. BDS for my business needs may be financially affordable depending on the service
    3. BDS for my business needs are not financially affordable

7. Do you think your business could benefit from appropriate BDS?

    1) Yes 2) No

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8. Which of the following apply to your use of BDS?

    1- I am using / have used BDS before -- they are **BDS Consumers - Go to Q10**
    2- I have considered Using -- they are **BDS Consider- Go to Q10**
    3- I have never considered using BDS -- they are **BDS Non-Consumer - Ask Q9**

9. Why have you never purchased BDS? (do not prompt, fill in most appropriate answers)

    1- I never thought about it before
    2- I don't need BDS for my business
    3- I can manage things myself/I manage my business
    4- I don't know any BDS suppliers
    5- The suppliers I know do not offer good quality service
    6- I don't know what BDS are
    7- Other (please specify) ____

<u>BDS Non-Consumer - Go to Q22</u>

BDS Consumption

10. When was the last time you acquired/considered using BDS? (choose one)

    1- I currently use BDS
    2- within last month
    3- within last six months
    4- within last year
    5- more than a year ago

11. What kinds of BDS services have you used, are you using, or have considered using? (choose as many as noted)

    1. Accounting services
    2. Bookkeeping services

3. Secretarial services
4. Engineering/architecture support services
5. Advertising support services
6. Marketing Services (e.g., distributor)
7. Legal support services (e.g., legal forms)
8. Brokerage services
9. Information technology (IT) support services
10. Technical support services (Non IT)
11. Business management consulting
12. Business management training
13. Product development / design
14. Production systems design
15. Marketing consulting (e.g., planning)
16. Marketing training
17. Human resource development consulting
18. Human resource development training
19. IT technical consulting
20. IT training
21. Financial planning
22. Financial training
23. Technical consulting (Non IT)
24. Technical training (Non IT)
25. Others

12. How did you learn of or hear about the BDS you are currently using, last used, or considered using? (read and check 3 only)

    1. Family/Friends
    2. Business partners/Colleagues
    3. Business association/Chamber of commerce
    4. Daily newspaper
    5. Journals
    6. Promotional flyers
    7. Radio
    8. Television
    9. Advertisements
    10. Government office
    11. Business directory
    12. Internet
    13. Non-governmental organization/Donor agencies
    14. Personal visits by BDS supplier
    15. Other (please specify)
    16. I don’t remember

13. What was the main thing that made you think of using BDS? (choose one only)

    1. I had a specific business problem to solve
    2. I want to make my business more efficient
    3. I want to improve my businesses planning capacity
    4. I want to expand my business
    5. Other (please specify)

14. From whom have you received or considered obtaining BDS (whether you had to pay for services or not)? (read list and check as many as applicable).

    1. NGO/Donor agency - please name it ________________________
    2. Government/Government agency - please name it ________________________
    3. An individual/firm that sells BDS
    4. An individual/firm from whom I buy inputs (whether paid or unpaid for services)
    5. An individual/firm to whom I sell my products (whether paid or unpaid for services)
    6. Friends/family (whether paid or unpaid for services)
    7. Business associations/Chambers of commerce or industry - please name it _______________
    8. Other (please specify) ______________________________________

15. What return did/would you expect from BDS? (choose one)

    1. No real return
    2. Increasing efficiency
    3. Increasing productivity
    4. Expanding production
    5. Increasing sales
    6. Other

16. You have considered/would consider using BDS because: (read list and check all noted)

    1. BDS would be less expensive than doing it myself or using my own employees
    2. I or my staff do not have the expertise to do the BDS ourselves
    3. I or my staff do not have the time to do the BDS ourselves
    4. My competition may be using BDS
    5. Legal requirements
    6. Other (please specify)

If interviewees are considering to use BDS -- they are BDS Consider- Go to Q 22 Future BDS Consumption

Continue if the interviewee is a BDS consumer

17. Compared to your expectations, how satisfied have you been with the BDS you received? (choose one)
    1. Extremely satisfied
    2. Very satisfied
    3. Somewhat satisfied
    4. Not at all satisfied

To enumerator - If Choice 4 Not at all satisfied ask Q18 otherwise go to Q19:

18. If not satisfied, what are the reasons? (read list and check all that are noted)

    1. Quality of service was not good
    2. Timeliness of delivery
    3. Method of Delivery (e.g., consultants, do it yourself, mentors, classes)
    4. Time commitment of myself and or staff
    5. Suitability of BDS for needs of my business
    6. Other

19. Have you ever paid/are you paying the full fee for BDS? (without subsidies):

    1) Yes 2) No

20. Have you ever received subsidized BDS - Including full subsidy?

    1) Yes 2) No

If Yes, go to question Q21

If No, go to question Q22 - Future BDS Consumption

21. If Yes, From whom have you received subsidized BDS?

    1. Non governmental organization __ % fee received in subsidies (estimated)
    2. Government __ % fee received in subsidies (estimated)
    3. Donor agency __ % fee received in subsidies (estimated)
    4. Other (please specify) __ % fee received in subsidies (estimated)
    5. University / Educational institution __ % fee received in subsidies (estimated)

Future BDS Consumption

22. How much would you be willing to spend annually on BDS? (choose one)

1. Nothing
2. 10 JD to 50 JD
3. 51 JD to 100 JD
4. 101 JD to 200 JD
5. 200JD or more

23. What BDS services would you be interested in acquiring? (read list and check all that apply)

1. Accounting services
2. Bookkeeping services
3. Secretarial services
4. Engineering/architecture support services
5. Advertising support services
6. Marketing Services (e.g., distributor)
7. Legal support services (e.g., legal forms)
8. Brokerage services
9. Information technology (IT) support services
10. Technical support services (Non IT)
11. Business management consulting
12. Business management training
13. Product development / design
14. Production systems design
15. Marketing consulting (e.g., planning)
16. Marketing training
17. Human resource development consulting
18. Human resource development training
19. IT technical consulting
20. IT training
21. Financial planning
22. Financial training
23. Technical consulting (Non IT)
24. Technical training (Non IT)
25. Others
26. I don't want / I am not interested

24. How important would the following factors be in considering whether to purchase BDS or not? (rate on a scale of 1 to 5 where 1 is of little importance and 5 is very important).

1. Total cost of BDS	1	2	3	4	5
2. Value for investment	1	2	3	4	5
3. Location of services	1	2	3	4	5
4. Delivery of Services	1	2	3	4	5
5. Time required to pay to BDS	1	2	3	4	5
6. Appropriateness of BDS to my business needs	1	2	3	4	5
7. If part of the fee was paid by someone	1	2	3	4	5
8. If it was free	1	2	3	4	5
9. If it would make managing my business easier	1	2	3	4	5

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25. Who owns this business?

1) male 2) female 3) Joint (male and female)

26. What is the highest level of education have you attended? (check one)

1. Less than elementary
2. Elementary
3. High school
4. Diploma
5. Bachelor
6. Post-graduate

27. How many years has this business been operating?

1. Less than 1 year
2. 1 to 5 years
3. More than 5 years

28. How long have you been the decision maker of this business?
___________________ year

29. What is your businesses average monthly income?

1. Less than 1,000JD
2. 1,000JD - 2,500JD
3. 2,500JD – 5,000JD
4. More than 5000JD

30. Are you a formally registered business?
1) Yes 2) No